

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 20, 1934

● CHARACTERISTICS OF A TRULY AMERICAN AGENCY COMPANY

FINANCIAL STRENGTH AND SECURITY.

YEARS OF SUCCESSFUL EXPERIENCE.

SYMPATHETIC UNDERSTANDING OF AGENCY PROBLEMS.

PROMPT AND FAIR ATTITUDE TOWARD SETTLEMENT OF LOSSES.

WRITING OF MANY LINES THAT ARE NECESSARY FOR AN AGENT'S WELFARE.

WELL TRAINED FIELDMEN WHO ARE EAGER TO SERVE.

AN ADVERTISING AND SALES PROMOTION DEPARTMENT READY AND EAGER TO ASSIST AGENTS IN MAKING MORE MONEY.

THESE CHARACTERISTICS AND THE BOSTON AND OLD COLONY INSURANCE COMPANIES ARE SYNONYMOUS.

IF YOU ARE CONSIDERING TAKING IN A COMPANY TO STRENGTHEN THE POSITION OF YOUR AGENCY WRITE US AND WE WILL GLADLY HAVE ONE OF OUR FIELDMEN CALL AND EXPLAIN THE ADVANTAGES YOU WILL DERIVE BY REPRESENTING ONE OF OUR COMPANIES.

B. L. HEWETT, MANAGER

WESTERN DEPARTMENT

LANSING

MICHIGAN

● Boston Insurance Company

INCORPORATED 1873

BOSTON, MASSACHUSETTS

STATEMENT JUNE 30, 1934

Valuations used are Market Values of June 30, 1934

As Filed Voluntarily with Massachusetts Insurance Department

ASSETS	
U. S. Government Bonds	\$ 1,710,134
State, County and Municipal Bonds	1,914,637
Foreign Government and Municipal Bonds	115,638
Stocks of National Banks and Trust Companies	1,053,517
Railroad Bonds and Stocks	1,986,466
Public Utility Bonds and Stocks	2,023,737
Other Bonds and Stocks	8,214,244
Real Estate	1,352,768
Mortgages (first liens)	75,425
Accrued Interest	120,386
Premium Notes	78,844
Premiums and Accounts in course of collection	1,085,930
Cash	636,892
	\$20,368,618
LIABILITIES	
Losses in process of adjustment or in suspense	\$ 1,214,917
Reserve for Losses unreported	183,000
Unearned Premium Reserve	4,629,829
Reserve for Marine Lay-up Return Premiums, etc.	518,139
Reserve for Federal Taxes	178,500
Commissions, Expenses, Taxes (estimated)	200,500
Reserve for Dividend	240,000
Employees' Savings Fund and Interest	42,127
Capital	\$ 3,000,000
Net Surplus	10,161,606
	\$20,368,618

● Old Colony Insurance Co.

INCORPORATED 1906

BOSTON, MASSACHUSETTS

STATEMENT JUNE 30, 1934

Valuations used are Market Values of June 30, 1934

As Filed Voluntarily with Massachusetts Insurance Department

ASSETS	
U. S. Government Bonds	\$ 1,288,850
State, County and Municipal Bonds	1,454,734
Foreign Government and Municipal Bonds	76,862
Stocks of National Banks and Trust Companies	510,761
Railroad Bonds and Stocks	1,051,054
Public Utility Bonds and Stocks	1,311,749
Other Bonds and Stocks	1,738,699
Mortgages (first liens)	6,500
Accrued Interest	76,234
Premium Notes	15,299
Premiums and Accounts in course of collection	289,216
Cash	165,654
	\$ 7,985,612
LIABILITIES	
Losses in process of adjustment or in suspense	\$ 282,892
Reserve for Losses unreported	46,500
Unearned Premium Reserve	1,423,725
Reserve for Marine Lay-up Return Premiums, etc.	108,232
Reserve for Federal Taxes	37,600
Commissions, Expenses, Taxes (estimated)	65,600
Capital	\$1,000,000
Net Surplus	5,021,063
	\$ 7,985,612

AN EXTRA FACTOR

AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK

Organized 1918

Capital, \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY OF AMERICA

Philadelphia, Pa.

Capital, \$1,000,000.00

Established 1862

KNICKERBOCKER INSURANCE COMPANY OF NEW YORK

Organized 1913

Capital, \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE INSURANCE COMPANY

Newark, N. J.

Chartered 1849

Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832

Capital, \$1,000,000.00

SUSSEX FIRE INSURANCE COMPANY

Newark, N. J.

Organized 1928

Capital, \$1,000,000.00

There is an extra factor in stock fire insurance that is provided by the salesman.

Of course he provides an extremely valuable service in stock companies that is not available in non-agency organizations. His companies must cooperate with him whole-heartedly in the solution of all his problems and must settle losses promptly and fairly. They must also be progressive, alive to the demands of insurance buyers.

These factors are ordinary, yet important, in the sense that they are necessary if fire insurance is to continue on a smooth course.

The extra factor is provided by the agent. He must respond to sales suggestions and to chances provided by developments of the day. His sales effort must be timely; today it must be more aggressive, have a little extra punch.

When it has that extra punch he sells the lines that are timely now — inland marine and business interruption indemnity. If you want help in developing them, write us.

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

The National Underwriter

Thirty-Eighth Year—No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 20, 1934

\$4.00 Per Year, 20 Cents a Copy

W. U. A. Stands by Separation Move

Fails to Follow Example of Easterners as to Agency Clearance

SLIGHT MODIFICATION

Mid-Year Gathering Exempts Class 2 Plant in Chicago from Effects of Rule

By GEORGE A. WATSON

MANCHESTER, VT., Sept. 19.—As a result of extended conferences had by the committee on order of business yesterday, the final session of the Western Underwriters Association today was one of the shortest on record. The gathering concluded within an hour after its convening. Without a dissenting vote each recommendation of the committee was adopted promptly.

With respect to agency clearance the association endorsed the action of the governing committee last June in designating Chicago and Cook county as territory coming under the amended articles of agreement and recommended the new legislation be effective only in that territory in Chicago known as the principal city district as specifically defined. This eliminates from the previous plan class two agents whose status in the main is that of brokers.

The governing committee will bulletin member companies for a report as to the status of their agency operations in the down town district of Chicago as of Nov. 1.

Declaring its interest and concern in the growing expense element of the business the committee on order of business recommended to the governing committee that it continue to give earnest study to the problem.

Installment Payments

While recognizing the urgency of providing assured with some means for the installment payment of premiums, the committee yet appreciates that the practice violates long established fundamental association regulations, "a fact that must not be lost sight of." The governing committee was urged to continue its study of the subject.

The action taken by the association with respect to agency clearance is contrary to that anticipated earlier in the week. In some quarters it was felt that W. U. A. would follow the recent decision of the Eastern Underwriters Association, but as the matter was talked over in hotel lobby sentiment veered very positively in favor of carrying out the plan reached six months ago.

Having committed themselves to a line of procedure the western managers determined to go ahead with it regardless of the modified position of the E. U. A.

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Federal Coverage, London Lloyds Are in Spotlight

Wolff Announces Agents' Program for Curbing Non-Admitted Companies

GRAND RAPIDS, Sept. 19.—Aside from reviewing the various Washington affairs, in which the agents have been interested, the address of President Allan I. Wolff of Chicago and the report of the administration at the opening meeting of the National Association of Insurance Agents here touched on separation, Interstate Underwriters Board, nonadmitted carriers and branch offices. Mr. Wolff pointed out that the activities of the administration during the past year have been centered largely in Washington, the first half in an attempt to secure adoption of a code of competition and the second in negotiations with officials of governmental bureaus looking toward conservation of insurance in which the government is interested for members of the National Association.

Insurance House Divided

So far as code negotiations are concerned, he recalled that insurance appeared as a "house divided" and the authorities decided insurance should not have a code. "Nor was the hope of setting up self-regulatory machinery within the business destined to be fulfilled within the year," he said.

During the latter part of the administration, activities centered about the Commodity Credit Corporation and Home Owners Loan Corporation. On the eve of the convention came word that the CCC had reversed its former policy and, in response to the appeal of agents, fortified by their congressmen and senators, has decreed that hereafter the cotton on which it makes loans may be insured by the warehousemen, "thus leaving the business, we hope, open to free and fair competition."

The National association in this matter "waged a gallant fight against what appeared to be overwhelming odds." The CCC at first was led to believe that the agents were not qualified to write the business, but that the services of "competent brokers" were needed. Such a claim was especially absurd when one of the nonresident brokers that was chosen to render the service, the National association was informed had never written any cotton insurance, he averred.

"Never in the history of the association has there been exhibited such team work as when the call went out to the membership to come to the aid of the southern agents," he said. The action of congressmen was amazing and heartening. "Your officers," he declared, "are deeply gratified over the outcome of this situation, as we understand it today."

The HOLC, Mr. Wolff asserted, has shown every inclination to work hand in hand with the agent and to secure widespread distribution of its business. He recalled that the National association had submitted three proposals to the

(CONTINUED ON PAGE 36)

Bennett Brings Out Important Points in Developing Theme of Convention

GRAND RAPIDS, Sept. 19.—Secretary W. H. Bennett, in his address developing the theme of the convention of the National Association of Insurance Agents here this morning touched on a number of vital issues, including London Lloyds, nationalistic propaganda, political activities of agents, and workmen's compensation. In addition he came out a little more strongly than he has in the past in favor of federal regulation of insurance.

Mr. Bennett concurred in the recommendation of President Wolff that a law be passed requiring banks whose deposits are insured in the Federal Deposit Insurance Corporation to patronize only licensed companies and another be passed forbidding the use of mails to unauthorized companies.

London Lloyds, he pointed out, is sending millions of dollars across the water and has the temerity to send representatives, in the guise of the big banking interests, into the halls of Congress, with open confession they are unwilling to abide by the laws of this country and pay their just taxes.

Sets Self Above Law

There is an aroused public consciousness in this matter, he said. "Our banking and mercantile interests," he said, "should no longer be able to hoodwink the authorities as they have done. It is estimated that more than \$100,000,000 in premiums is paid annually by the banks alone to this institution which sets itself above the law."

Speaking of nationalistic propaganda, he pointed out there has been a great "Buy British" movement in England and Canada. Such propaganda, he said, is unwarranted and unjust, so far as insurance is concerned, and as equally unwarranted is any attempted reprisal through a "Buy American" campaign, as attempted in a recently circulated anonymous pamphlet "Lest We Forget."

He said the agents are disposed to steer clear of supernaturalistic expressions. However, he declared, it must be

(CONTINUED ON PAGE 10)

National, State Meetings Covered in Full Detail

A special number covering the annual meeting of the National Association of Insurance Agents in Grand Rapids this week will be published on Friday. In this issue are two special state meeting inserts: The Michigan association's Grand Rapids convention on Pages 17-19 and the Illinois association's Chicago gathering on Pages 31-36.

Will Establish a Service Office

National Association of Insurance Agents Decides on a New Project

W. T. REED IS ENGAGED

Will Have a Regular Bureau at Washington, D. C., for the Benefit of Members

By C. M. CARTWRIGHT

GRAND RAPIDS, MICH., Sept. 19.—The executive committee of the National Association of Insurance Agents at its meeting in this city announced that it will establish a service office in Washington, D. C., in charge of William T. Reed with the title of assistant counsel. Mr. Reed has been temporarily employed and has been making valuable contacts and securing desirable information for the New York office. The objective will be to serve the membership in connection with any of the governmental undertakings such as the Home Owners Loan Corporation, Commodity Credit Corporation and the like. It will establish contacts and furnish the members with information regarding any insurance in which the government is interested.

Need a Service Office

The officials have felt for some time that a service office of this kind would be eminently desirable. There are various bureaus controlling different kinds of insurance in Washington and authority is becoming more and more concentrated. Some of the members have felt that if an office of this kind had been established before, the results of negotiations in the past would have been different.

It is stated that the cost of the new bureau will be about \$12,000 a year or about \$1 a member per year for this additional service. There has been no provision in the regular budget for this extra expense. It is thought that the National association will contact with each member directly, seeking a contribution of \$1 and then allow each state to make up its own deficit.

Project Unanimously Endorsed

The question was presented by Chairman E. J. Cole of the executive committee at the meeting of the state offices and the project was endorsed enthusiastically, with no dissenting vote.

It is the purpose of the association to set up the Washington office with all possible speed. The executive committee authorized the officers to staff the office. Announcement of its exact location will be made soon.

Mr. Reed has been in the insurance business, and a member of the National association for a number of years. He

(CONTINUED ON PAGE 37)

Action of E.U.A. Most Humiliating

Separation Was Case of Marching
Up Hill and Down
Again

VIEW NEW PLAN LIGHTLY

Legitimizing Agency Representation
in Excepted Cities as of July 1 Was
Face-Saving Measure

The action of the Eastern Underwriters Association in regard to separation in excepted cities is generally regarded as virtually a complete backdown. Although the new legislation, legitimizing agency representation, as it existed on July 31, 1934, but prohibiting mixed agencies from taking on additional non-affiliated companies after that date and prohibiting clear agencies from taking on such representation, might in the long run result in the clearance of a good many agencies, the feeling does not exist that the legislation is possessed of teeth. It was pretty largely a face-saving measure. This was the proposal, officially advanced in Boston and later rescinded, and also the one strongly advocated unofficially by leading Chicago agents.

That the program was failing became apparent some time ago. Not only did the association officially back away from its decision gradually and here and there, but individual company executives became more and more outspoken in their opposition. Towards the last there were very few real champions of the cause. At the E. U. A. meeting a few, but only a few, resisted modification of the program.

Those who were not openly opposed, put on a wry look when the subject was mentioned. Separation cannot be accomplished if company executives themselves have to be lashed into it. It can only be accomplished the way it has been done in certain states by the field men, without flinching and aggressively.

Marching Up and Down Again

The whole affair is most humiliating to company executives, as it was a case of marching up a very steep hill and then sliding down. The western contingent of the Western Underwriters Association left Chicago last Friday, greatly chagrined. Privately, they were embittered. They felt that they had been forced to adopt the separation program at the insistence of the east and had made quite a brave attempt to put the program across only to have the east let them down. The net result in the west was the loss of the powerful Eliel & Loeb agency of Chicago by association companies and the serious disturbance in the Engelhard, Krogman & Co. agency of the same city, which recently took on the representation of four additional non-W. U. A. companies.

The organization companies have lost considerable prestige and whether it will be a serious blow to their effectiveness in the future remains to be seen.

Cities That Were Affected

The E. U. A., by its action, fixed the status as of July 1, 1934, of the 6,494 agents in the excepted territories of Boston and metropolitan area, Buffalo and adjacent Tonawanda, Philadelphia and Philadelphia suburban, Allegheny county, Pa., Baltimore and Washington, by stating that no mixed agency "may take on the representation of any additional non-affiliated company, and no clear

(CONTINUED ON PAGE 8)

Countryman Named as Coast Manager of Norwich Union

SUCCEEDS LATE F. L. HUNTER

Has Been With Company There Since
1914, Assistant Manager
for Five Years

SAN FRANCISCO, Sept. 19.—Filling the vacancy created by the recent death of Frank L. Hunter, Russell L. Countryman, who joined the Norwich Union Fire in the Pacific Coast office early in 1914, and who was appointed assistant manager five years ago, has been named Pacific Coast manager by United States Manager Hart Darlington, who was a recent visitor to the office here.

M. C. Godfrey, who joined the company in 1920 and who has been assistant manager with Mr. Countryman for the past five years, will continue as assistant manager under the new setup.

Mr. Countryman entered insurance shortly after the 1906 San Francisco fire with the Royal, then managed by R. V. Watt. After four years with that company, he spent three years with the Oakland, Cal., local agency of Clay & Hotchkiss, and then went with Burtel & Selbach, now Selbach & Deans, San Francisco general agency.

Started in City Department

When he entered the employ of the Norwich Union in 1914, it was under the management of J. L. Fuller and Mr. Hunter was assistant manager. His principal work was in the city department until 1918, when he was placed in charge of the country department here. Mr. Hunter succeeded Mr. Fuller as manager Jan. 1, 1925, when the latter retired to his home in San Mateo, Cal., where he now resides.

Assistant Manager Godfrey entered the insurance business with the New Zealand in 1910, rising to the position of city manager. He resigned the New Zealand connection to go with the Norwich Union in a like capacity and in 1925 was named superintendent of the automobile department. In 1929 he was named assistant manager, at the same time Mr. Countryman was advanced to a like position.

The Norwich Union has occupied its present building in San Francisco since 1916, purchasing it in 1920, and the Pa-

Named as Coast Manager of Norwich Union Fire



R. L. COUNTRYMAN

Russell L. Countryman has been appointed Pacific Coast manager of the Norwich Union Fire, with headquarters in San Francisco, to succeed the late Frank L. Hunter.

cific Coast headquarters will be continued in the same location.

With the Norwich Union Fire coast office are affiliated the Norwich Union Indemnity and the Eagle Fire of New York. The San Francisco office is also general agent for the Home of Hawaii.

Abernethy Assistant Secretary

The Republic of Dallas announces the appointment of J. J. Abernethy as assistant secretary in the underwriting department to supervise part of the Texas business. He has been with the company for eight years. F. W. Bondurant has been named special agent to succeed Mr. Abernethy. He has been in the business in Texas for a number of years.

Iowa premium income of the Iowa National Fire in August showed an increase of 171 percent over August, 1933.

Chubb Warns of Marine Shackles

Presents Forceful Argument
Against Restrictions for Ocean,
Inland Underwriters

MUST EYE PUBLIC WEAL

Agents Urged to Insist That Com-
panies Meet Needs in Most En-
lightened Way

GRAND RAPIDS, Sept. 19.—A plea was entered by Hendon Chubb, head of Chubb & Sons of New York, in addressing the convention of the National Association of Insurance Agents here this afternoon, that marine insurance, ocean and inland, not be shackled. He took issue with those who desire that the uniform definition of marine writing powers be construed so as to confine the operations of marine underwriting.

Speaking of the ocean business, he said it is not possible to surround insurance with a wall of protection such as resident agency laws, filed rates, etc. "To each voyage there is not only a shipper but a consignee and either may arrange the insurance and if any considerable advantage in rates or terms is obtained at one end over the other, the insurance will follow the advantage."

Experience and Imagination

Mr. Chubb said the marine underwriter must deal not only with many perils in one policy, but also with liability to damage to others in the same policy. He must adapt his protection to changing needs of commerce, relying on experience and imagination. Many risks are not susceptible to tariff rating and such tariffs as do exist will be flexible.

Speaking of the inland lines, he said in meeting the complex needs of modern business, the underwriters are hampered by the strict classification of hazards that provide that a company writing fire and marine may not write liability and casualty. Such classification does not offer any balance of advantage to the public.

"There are many executives and agents who have been and still are opposed to development of marine and inland marine," he said. "While there has been a somewhat general acceptance of the uniform definition, yet there is still a very considerable opposition to giving it other than a narrow and confining interpretation. I wish to submit to agents that this is a mistake."

Analyzes Jewelry Coverage

He asked how the interests of the public would be served if the owner of valuable jewelry had to take out a policy in a casualty company to cover against burglary and theft in the residence, a policy against fire while in his home and a policy against the risk of transportation while away from home.

Much interest was taken in what Mr. Chubb had to say about fine arts, because of the controversy that arose in Ohio over insurance on the Cincinnati Institute of Fine Arts. Mr. Chubb asked how the interests of a man or a museum owning a valuable collection of paintings would be served by requiring the taking out of a fire policy, casualty policy against theft and a marine policy against transportation, with the gap that would exist in such protection. "The largest losses we have paid," he said, "came, one from a flood and one from a careless workman." Such an arrange-

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THE WEEK IN INSURANCE

Western Underwriters Association makes important decisions at mid-year meeting in Manchester, Vt. Page 1

The National Association of Insurance Agents will establish a service office at Washington, D. C. Page 1

Presidential address is made by Allan I. Wolff and the theme of the convention is developed by W. H. Bennett at meeting of National Association of Insurance Agents in Grand Rapids. Page 1

Action of the Eastern Underwriters Association, in backing away almost completely from the separation program, was most humiliating to many executives. Page 2

R. L. Countryman is appointed Pacific Coast manager of the Norwich Union Fire to fill the vacancy caused by the death of Frank L. Hunter. Page 2

Hendon Chubb of New York, in addressing National agents association, warns against putting marine underwriters in a strait-jacket. Page 2

National Association of Insurance Agents is holding its annual meeting in Grand Rapids. Page 3

Edwin Parrish named Pacific Coast manager of the American Fore. Page 6

Canadian Insurance Superintendents elect President R. P. Hartley Page 4

P. D. Betterley of Worcester, Mass., presents the buyer's attitude towards insurance at convention of National Association of Insurance Agents. Page 7

Agricultural and Empire State field men hold conference at the home office. Page 4

J. W. Henry of Pittsburgh, in an address before the National agents' convention, gives some suggestions for development of the automobile business. Page 6

Insurance setup in connection with new CCC corn loan program is explained. Page 11

Illinois insurance department revises automobile fleet ruling, so as to eliminate all cars not owned by the assured. Page 39

Travelers promotes J. W. Randall to vice-president and L. J. Kempf of Chicago to secretary compensation-liability department in home office. Page 39

Illinois now demands special deposit of compensation writing companies domiciled in New York. Page 39

Officers of state agents' associations hold separate session during national agency convention in Grand Rapids. Page 3

Local board conferences during Grand Rapids convention bring out important points. Page 3

Special Gathering of State Officers

Session Is Important Feature of the Big Agency Convention

D. G. FOREMAN IN CHARGE

Midyette Gives Practical Advice on Legislative Work—Colridge Tells of Value of Regional Meetings

GRAND RAPIDS, Sept. 19.—Nearly every state was represented at the meeting of the officers of the various state associations held Tuesday morning and presided over by E. J. Cole, Fall River, Mass., chairman of the executive committee of the National Association of Insurance Agents. The various subjects discussed were closely related. At the conclusion of his talk each speaker answered questions and in this nearly everyone in attendance participated in the proceedings.

At the conclusion of the gathering it was unanimously voted to advise the executive committee of the National association that the sense of the meeting was that some sort of a contingent commission plan for compensating agents should be adopted on a countrywide basis especially as regards fire business. Sidney O. Smith, Gainesville, Ga., explained that earlier in the morning most of the association members in the far southeastern states had held an informal meeting at which it was concluded that at least so far as that section was concerned an effort must be begun looking toward the eventual adoption of a contingent commission arrangement. In connection with launching this movement in the southeastern states it was Mr. Smith's thought that the attitude of the other states might be sounded out. Any further action to be taken, of course, will be up to the executive committee of the National association.

Aside from the report of the National association's finance committee submitted by Frank T. Priest, Wichita, Kan., other

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Develop Many Ideas at Local Board Conferences

GRAND RAPIDS, Sept. 19.—Much interest was taken Tuesday afternoon in the local board conferences of the National Association of Insurance Agents. Group 1 with population up to 50,000 was presided over by C. C. Eubank of Ogden, Utah. Group 2 from 50,000 to 250,000 was in charge of C. E. Swope, president Louisville Board. The higher population group was in charge of Monroe Porth of Milwaukee.

About 50 agents were present at Group 1 and they had lively discussion of plans and methods for developing interest in local and state board activities.

The success of the Louisiana association in bringing into its membership agents writing 95 percent of the business was recounted by several of its officers, including Alphonse Davis, New Iberia; B. J. Breard, Monroe; W. E. Leigh, Monroe; R. Lea McClelland, Baton Rouge.

Group Two Agenda

Group No. 2 took up co-extensive membership in local, state and National associations, financing local boards, limitation of solicitors, in and out rule, company representation (number of agents company may appoint), mutual representation by stock company agents, branch offices, overhead writing, agents qualification law, and fictitious fleets.

Every large city was represented with the outstanding exceptions of Boston, Philadelphia and San Francisco at the Group 3 conference. The operations of large city boards and the ways in which they can function so as to make board membership more attractive were thoroughly discussed. As the meeting progressed it developed that in New Orleans, Rochester, Dallas, San Antonio and Toledo the local boards control the appointment of casualty as well as fire agents. The Buffalo Board is shortly to be reorganized so as to assume control over casualty appointments. There seems to be a drift in the direction of one local board assuming control of both fire and casualty affairs. Some cities such as Milwaukee have two separate boards, one for fire and the other for casualty.

Stewart Maunsell, president of the New Orleans Insurance Exchange, told

of that organization's recent fight with the New Orleans Real Estate Board.

The New Orleans Exchange has as one of its qualifications for membership the stipulation that the applicant must rely on insurance as a sole means of livelihood and must be an active solicitor. The New Orleans Real Estate Board recently attempted to have the New Orleans Exchange branded as a trust and put out of commission but the fight was won by the New Orleans Exchange because the 32 local boards scattered throughout Louisiana rallied to its support.

C. O. Ransom's Discussion

C. O. Ransom, Cleveland, discussed the writing of locally owned business by outside agents. He said that Baltimore and Cleveland both have effective rules preventing agents in those cities taking away from agents in nearby small towns the locally owned lines. Mr. Ransom has made a special study of this subject.

Chairman Porth said that in every large city the local board should have a full time paid secretary but there were some who were inclined to doubt the necessity of this. A canvass of those in the room revealed that most of the large cities do employ full time secretaries.

Situation at Newark, N. J.

There was some rather extended discussion of the situation in Newark where there is an unusually large number of nonpolicy-writing agents. It was stated that at least a half a dozen of the large, aggressive companies are operating branch offices in Newark through which considerable business is placed by nonpolicy-writing agents. Unlike the agents of some other cities, those in Newark who are members of the board represent nonconference casualty companies having taken such representation to meet the competition of the automobile mutuals. The situation in Newark was described as unsatisfactory, and it was the general opinion that it could be materially improved only by strengthening the rules and policies of the Newark board.

C. C. Eubank of Ogden, Utah, who

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Agents' Parley Is Now in Full Swing

National Association Annual Meeting Gets Under Way at Grand Rapids

MUCH INTEREST EVINCED

Administration Gives Account of Its Stewardship—Features of the Gathering

GRAND RAPIDS, MICH., Sept. 19.—There was a larger enrollment of local agents and visitors at the annual meeting of the National Association of Insurance Agents on Monday than ever before. The executive committee had been in session the two previous days and by Monday noon the lobby of the Pantlind was very animated.

The first general convention session started this morning with President Allan I. Wolff of Chicago in the chair. The big meetings are held in the Civic Auditorium across the street from the hotel. The get-together dinner was held there last night. The invocation was given by Rev. E. H. Thompson of the Park Congregational Church. Immediately following came the solemn and impressive memorial to Past President Percy H. Goodwin, presented by his old friend W. H. Menn of Los Angeles, chairman of the Goodwin memorial committee. At Louisville when the mid-year meeting was held a similar impressive tribute was paid to another celebrated past president, James L. Case.

Wolff and Bennett Speak

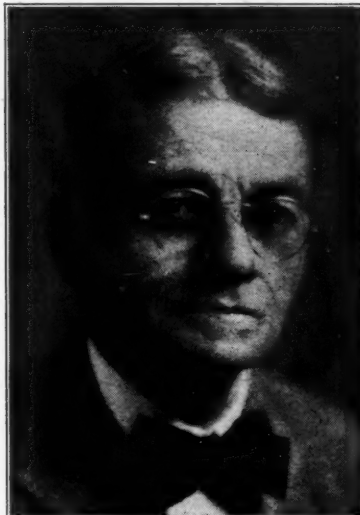
President Wolff then gave his annual address and the report of the administration. This is now an annual feature the high work of the organization and its leading activities being presented by the president. Secretary Walter H. Bennett elaborated the convention theme "The Road to Recovery." In the official program was a foreword based on a quotation from Moliere's—"Le Tartuffe," it being "The road is long from

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GRAND RAPIDS AGENTS RENDER NOTABLE SERVICE



JAMES M. CROSBY, JR.



FRANK G. ROW



A. D. MILLARD



GEORGE C. BLICKE

The Grand Rapids Association of Insurance Agents is doing yeoman service in handling the local details and en-

tertainment features for the National association convention in its city this week. James M. Crosby, Jr., president of the

association, is chairman of the convention executive committee. Frank G. Row is a member of the committee, A.

D. Millard is secretary. George C. Blicke is chairman of the registration committee.

Agricultural Field Men in Conference at Home Office

WAITE REPORTS INCREASES

Home Office Men Discuss Sales and Underwriting Problems and Plans With Representatives

Field men of the Agricultural and Empire State met at the home office in Watertown, N. Y., for their annual conference. President H. R. Waite reported a gratifying increase in premium income and continued strengthening of the financial position of both companies. The Empire State agency plant is expanding satisfactorily and establishing itself among the leaders, he said. Vice-President E. J. Dickey, who had charge of the early efforts of the Empire State, also made comment on its progress.

R. G. Clarke, manager of the general cover department in New York City, presented some interesting aspects of multiple location underwriting and told in detail how the Agricultural might expand this type of business.

Lewis Tells of Activities

Vice-President A. C. Wallace and W. B. Slack, manager of the automobile department, told of the activities of the automobile department. There was considerable discussion of the new manual and many dubious points were explained for the benefit of the field men. S. W. Corey, 3rd, vice-president of Appleton & Cox, manager of the Agricultural's marine department, discussed profitable and unprofitable lines and ways of meeting and helping agents to increase their profits through selling more marine coverages.

W. L. Lewis, advertising and sales promotion manager, reported on the various activities carried on by his de-

partment. He told of the net gain in the number of first rank agencies appointed and the development of increased volume in certain selected lines. He told of new promotion work which is being developed for the coming year. Inasmuch as the company's profit depends upon the agent's profit, all efforts are being made to provide the agents with effective material.

At the banquet Congressman Bertrand H. Snell, a director of the company, was the featured speaker and drew many parallels between the problems of insurance men and political leaders. His remarks were not strictly political. His theme was that sound American institutions will prevail despite all adversity.

H. E. Machold, chairman of the board, spoke at luncheon on general business practices. He told the men they need not worry over the permanent destruction of established business principles.

Retired Men Honored

Among the honored visitors at the conference were F. F. Buell, dean of all Agricultural representatives, who is now retired, and Frank Herman, former Agricultural state agent in Indiana, who is also retired.

The program during the conference was well balanced with entertainment. At the banquet J. V. Coty showed motion pictures covering various sports. At the special dinner entertainment was provided by the field men, including W. P. Phillips of New York City, R. E. Eisert, Buffalo, N. B. Browne, Jr., Atlanta, Ga., and Paul Zoelzer of Minneapolis. The field men presented President Waite with a fishing rod case in honor of his 40th anniversary with the company. One of the features of the sports program was a soft ball game between home office and field teams. E. S. Young of the home office western department and Joseph Mottet, state agent in New Jersey and Pennsylvania, were rival captains. A shore dinner and cruise on the St. Lawrence were other high lights.

Canadian Superintendents Reelect President Hartley

ACTION BREAKS PRECEDENT

Major Elected to New Office of Honorary President—Seek Cooperation of Bar Association

President R. P. Hartley was reelected president of the Canadian Insurance Superintendents Association at the annual meeting in St. John, N. B., the first time in the organization's history that a president has been chosen for a second term. Mr. Hartley is deputy attorney-general of New Brunswick and has charge of insurance administration.

W. J. Major, Manitoba attorney-general, was elected honorary president, a new office created to recognize his prominence in the conferences of 1933 and 1934. Other officers reelected were H. R. Stewart, Prince Edward Island superintendent, as vice-president, and R. Leighton Foster, Ontario superintendent, secretary-treasurer.

Seek Bar Association's Cooperation

The place for next year's conference was not fixed. As the association has some interest in common with the Canadian Bar Association in respect to uniform insurance laws, an effort will be made to have these two bodies meet at the same place and time. This year the bar association met in Montreal.

Considerable attention was given to discussion of the proposed uniform definition of marine writing powers, similar to that widely adopted in the United States. There was general approval of the principle of the uniform definitions, but no formal action was taken. The committee of underwriters dealing with the subject sent out its report this summer and the superintendents' meeting

was the first opportunity since then for an open forum on the proposal.

The problem is somewhat different in Canada from that in the United States. Since all companies are licensed to write all lines of business, it is not a question of keeping different types of companies confined to their respective fields, but of arranging so that what one company reports as fire business another does not report as marine business. Sometimes the application of standard policy provisions is involved, and a good deal of confusion can arise if the companies are not kept on a uniform basis in their classification of the various types of risk.

Discussion of a proposed uniform automobile insurance law and policy for all provinces proved of particular interest to visitors from the United States, for in many ways Canada is in advance of this country in its progress toward such a goal.

Fire policies were discussed at length but no action was taken.

A provincial insurance board in New Brunswick with powers to deal with the licensing of agents and other allied problems was forecast by Mr. Hartley. The new board would be patterned after those in Ontario and Quebec.

Prepare Simplified Manual

The Union and the American States of Indianapolis have prepared a new automobile manual, which will contain about 40 pages instead of the customary 200 or 250 pages, thus greatly simplifying the work of agents. It contains fire, theft and collision insurance rates, as well as public liability and property damage.

Godmer Quebec Inspector

Charles H. Godmer has been appointed inspector for the province of Quebec for the Phoenix of Hartford, Providence Washington and Westchester.



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

VIEWED FROM NEW YORK

By GEORGE A. WATSON

COMPANIES ON "MORRO CASTLE" LOSS

There was \$2,100,000 of the \$4,200,000 hull and disbursements insurance on the "Morro Castle" carried in this country, written through the American Marine Syndicates. The list of companies participating and amounts were announced. It was reported London Lloyds carried approximately \$3,000,000 on the vessel through excess insurance, but it has not yet been ascertained whether this included \$2,100,000 hull and disbursements not carried in this country. The list of participating companies and percentages is:

Domestic Companies

	Pct.
Agricultural	.90
Alliance, Philadelphia	.85
American Eagle	.95
American, Newark	1.78
Anchor	.40
Atlantic Mutual	5.10
Automobile	2.50
Boston	2.60
Buffalo	.40
Central Fire	.65
Citizens	.40
Connecticut Fire	.40
Continental	2.13
Federal	4.15
Fidelity-Phenix	2.13
Fire Association	1.25
Fireman's Fund	2.35
Glens Falls	2.13
Great American	2.30
Hanover Fire	.95
Hartford Fire	1.55
Home Fire & Marine	1.65
Home	2.10
North America	6.65
National	1.65
National Liberty	.40
National Security	.40
New Hampshire	.40
New York Underwriters	.45
North River	1.25
Northwestern Fire & Marine	.25
Old Colony	.95
Philadelphia Fire & Marine	.85
Phoenix, Hartford	2.30
Providence Washington	1.65
St. Paul Fire & Marine	2.20
Security	1.65
Springfield Fire & Marine	.85
United States Fire	1.65
Westchester	2.50
Total	66.67

Admitted Companies

Alliance Assurance, London	1.025
American & Foreign	5.40
British & Foreign Marine	2.20
Century	1.00
Commercial Union Assurance	1.00
Eagle, Star & British Dominions	2.225
Indemnity Mutual Marine	.655
Liverpool & London & Globe	.50
London Assurance	1.025
Marine Insurance Co.	1.025
Maritime Insurance Co.	.60
Newark Fire	.40
North China	.20
Norwich Union Fire	.60
Ocean Marine	.30
Patriotic of America	.75
Potomac	.30
Queen	1.40
Reliance Marine	.30
Royal Exchange	1.00
Royal	1.60
Sea	1.025
Standard Marine	1.40
Sun	1.00
Switzerland General	.40
Thames & Mersey Marine	2.00
Tokio Marine & Fire	.90
Union of Canton	.50
Union Marine & General	.90
Western Assurance	.20
Yangtze	1.50
Total	33.33

Grand total100.00

The hull insurance amounted to \$2,800,000 and disbursements insurance was \$1,400,000. The line was placed through Johnson & Higgins. Two-thirds of the cover is with the shipping board fund and the American Marine Insurance Syndicates. One-third is with London Lloyds and London underwriters. The protection and indemnity insurance totaled nearly \$5,000,000 and was placed largely through Mather & Co., being absorbed in this country with reinsurance abroad. There were 769 tons of cargo on the vessel with a valuation of about \$100,000. Practically all of this was placed in the American market.

* * *

MAKING LIFE COMPANY DEAL

C. V. Starr, president of the American International Underwriters of New

York, is negotiating for the purchase of control of the United States Life of New York. This is one of the oldest life insurance companies in the country, but one which is not a major factor, because of its conservative attitude towards acceptance of business. The American International Underwriters is foreign manager for the Hanover, Na-

tional Union and Ohio Casualty. Mr. Starr also heads the American Asiatic Underwriters Federation which handles the marine business of the Hanover, National Union, Agricultural, State of Pennsylvania, North River and a number of foreign companies.

* * *

KURTH AT W. U. A. MEETING

President Kurth of the Home represented that company at the Western Underwriters Association meeting at Manchester, Vt., this week. Vice-President H. V. Smith went to Grand Rapids to attend the convention of the National

Association of Insurance Agents. Vice-President John A. Campbell is still at the hospital getting ready for a major operation. He will be out of commission for some weeks.

Miscellaneous Notes

Lukens & Smith, Evansville, Ind., has been incorporated by H. M. Lukens, N. D. Smith and N. D. Lukens.

The Hinchliffe Co., Paterson, N. J., has been incorporated by J. V. Hinchliffe, L. V. Hinchliffe and J. C. Hinchliffe.

Mike King, an old Florida agent, has returned from Virginia to travel the state for the A. H. Turner office of Atlanta.

Are YOU an Agent who SHOULD REPRESENT this Company?

You may have given some thought to taking on another company. You may have a real and growing need for an additional carrier of unquestioned strength.

To you . . . to first-rank agencies who have a place for a company whose position meets the stiffest requirements . . . we offer this suggestion: *get the facts about the Empire State.*

Here is a company that has made remarkable progress. It has an enviable background of experience and the support of generations of successful leadership, because it is under identical management with the 81 year old Agricultural Insurance Company.

Here is a company with an outstanding financial statement. Please read the figures. Please note the extraordinary ratio of \$4.72 in assets to every \$1.00 of liabilities. Please write us for a complete list of our investment portfolio so that you may discuss it with your own banker. In this list you will find that our holdings of U. S. Government Bonds alone are more than enough to cover all liabilities.

STATEMENT

as of June 30, 1934

ASSETS

Bonds, Actual Market Value	\$ 1,941,678.00
Stocks, Actual Market Value	602,925.00
Cash in Office and on Deposit	117,558.81
Due from Agents, not over 90 days	111,724.87
Accrued Interest	25,546.99
	<u>\$ 2,799,433.67</u>

LIABILITIES

Unpaid Losses	\$ 50,575.70
Loss Adjustment Expense	2,528.78
Federal Income Tax Reserve	10,000.00
Unearned Premium Reserve	530,242.00
Capital	1,000,000.00
Surplus	<u>1,206,087.19</u>
	<u>\$ 2,799,433.67</u>

Throughout the country, agents are undergoing a new experience . . . policy holders are asking pointed questions about the strength of companies. The Empire State is one you can be proud of. You can have full confidence that it will measure up to any standards your customers may demand.

When may we send a representative to give you the whole story?

Empire State
Insurance Company,
of Watertown, N.Y.

Great Opportunity Exists For Fire Prevention Work

REPORT AT GRAND RAPIDS

Chairman Fischer of National Association Finds Agents More Active in Fire-Accident Education

Economic conditions for the last five years have caused people to stop and think about many matters, therefore, there never was a more opportune time to make the American public fire and accident prevention-conscious than now, Chairman W. P. Fischer of the fire and accident prevention committee of the National Association of Insurance Agents, West Palm Beach, Fla., reported for his committee in the Grand Rapids convention.

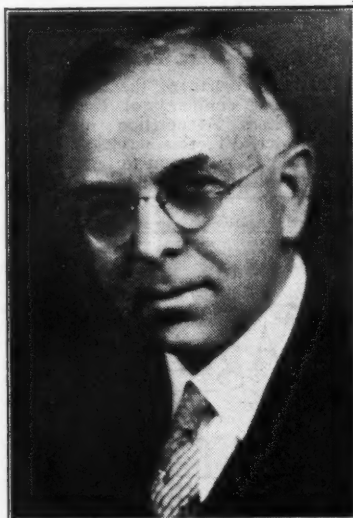
The time is ripe to educate the public to the fact that they make their own rates. Mr. Fischer and his committee believe there will be a great response and that civic and service clubs will welcome the opportunity to have speakers on this subject from time to time.

Asks for Permanent Chairmen

A great deal more could be accomplished if state associations and local board officers would appoint permanent chairmen of their fire and accident prevention committees, the report recommended. The work is much handicapped at this time by delay in making contacts by the fact that the national committee first must circularize 48 state presidents, who in turn must make contacts with all their local boards. Each new association administration as a rule makes new appointments on the committees and it is almost impossible to keep up with the changes in officers taking place throughout the year.

If all fire and accident prevention

Presides Over W. U. A. Sessions in Vermont



ERNEST A. HENNE, Chicago

E. A. Henne, vice-president in charge of the western department of the America Fore group, presided this week at Manchester, Vt., over the deliberations of the Western Underwriters Association, having been elected president at the annual meeting at White Sulphur Springs in April.

chairmen were retained for as long as possible, the national committee then could set up a complete file of records which would considerably facilitate the work of the National association, National Board, National Bureau of Cas-

(CONTINUED ON PAGE 35)

Advices Agents to Emulate Automobile Manufacturers

J. W. HENRY'S SUGGESTIONS

Pennsylvania Leader Commends Example of Hard Work, Top Notch Selling Plans of Auto Trade

Advice to agents, in developing their automobile insurance, to emulate the automobile industry, which is leading the way out of the depression through hard work, improved automobile designs and up-to-the-minute selling plans, was given by J. W. Henry of Pittsburgh, president of the Pennsylvania Association of Insurance Agents, in addressing the convention of the National Association of Insurance Agents in Grand Rapids.

The agent, Mr. Henry said, should have a thorough knowledge of the contract and of the client's requirements; he should know what other companies are offering and wherein his contract excels; to be able to instruct his assured as to his legal liability, especially under the financial responsibility laws; constantly to keep in contact with the client so as to be informed of any change in need or coverage.

Assume Careful Selection

Most assured take it for granted the agent has made a careful selection of the company and the agent should exercise extreme care in this direction. Mr. Henry advised representing only stock companies of undoubted strength. In making comparisons with other companies, he said, the complete picture should be presented to the client.

The cost should be an equitable charge for the hazards covered and the agent should be prepared to justify a fair and

(CONTINUED ON PAGE 36)

America Fore Names Parrish Manager on Pacific Coast

RETURNS TO ACTIVE SERVICE

C. V. McCarthy Continues as Secretary—J. A. Carlson and H. W. Nason Are Advanced

SAN FRANCISCO, Sept. 19.—Vice-President Edwin Parrish has been recalled to active service by the America Fore group and made manager of the Pacific Coast territory. Mr. Parrish has been serving in an advisory capacity.

C. V. McCarthy continues as secretary and J. A. Carlson, assistant secretary, has been made secretary in charge of underwriting. H. W. Nason, who has been agency superintendent in charge of the general cover department, has been advanced to assistant secretary and will continue the same work.

Successor to Merritt

Mr. Parrish succeeds Alfred L. Merritt, who resigned to become Pacific Coast manager of the Pearl Assurance. Mr. Parrish was Pacific Coast manager of the Niagara before it was acquired by the America Fore group in 1929. At that time he was made joint manager with Mr. Merritt. Mr. Parrish joined the Niagara in 1901, becoming manager in 1912 and vice-president in 1926.

Mr. Carlson started with the Continental in Chicago and in 1912 joined the Niagara as field man, covering the northwest territory. In 1919 he was sent to San Francisco as assistant manager of the Niagara and in 1929 was made assistant secretary of the America Fore. Mr. McCarthy has been in the insurance business since 1898, serving as an adjuster following the San Francisco fire in 1906. In 1922 he joined the America Fore as assistant secretary, being named secretary in 1929.

FIRE
TORNADO

PROTECTION



AUTOMOBILE

Good Reputation Maintained

Since its beginning in 1848—eighty-six years ago, the Ohio Farmers Insurance Company has maintained a reputation for being fair, reliable and conservative. To merit this reputation has been the endeavor of the management.

Especially has the effort been made to be prompt and fair in adjusting claims when policyholders suffer loss.

Today, no less than in the yesterdays, the Company officers, directors, and agents strive to be fair and impartial.

OHIO FARMERS
INSURANCE CO., LEROY, O.

Buyer Advocates Research Bureau

**Suggests Organization to Keep
Insurance in Step with
Modern Pace**

P. D. BETTERLEY'S VIEWS

**National Agents' Association Is Given
Valuable Insight Into Attitude of
Purchasing Agent**

GRAND RAPIDS, Sept. 19.—Insurance buyers, according to the opinion expressed by P. D. Betterley, assistant treasurer of the Graton & Knight Co., of Worcester, Mass., in his address before the convention of the National Association of Insurance Agents, are not seeking a method of purchasing insurance by mail, nor do they expect a high official of the underwriting organization to negotiate the contract, but they do want to deal with representatives who know insurance, what kind to use and how to get it. Mr. Betterley was most lucid in expounding the buyer's viewpoint and gave his audience a valuable slant at the purchasing agent. He suggested the creation of a research bureau, wherein modern needs might be studied, with the idea of keeping insurance in step with the modern pace.

Unscrupulous agents and companies, he said, have taken advantage of the confusion of contracts and practices of insurance and the prevalent lack of interest on the part of the public. This has caused the entire business to suffer. The legislatures pass laws and set up standards or contracts, but they are not uniform. The assured are puzzled at some of the obstacles encountered in obtaining logical policies for legitimate risks. If the assured can qualify as a safe risk, he concludes that he should not be penalized for the short-comings of other assured.

Buyer May Look Elsewhere

Many buyers, unless they can find in their vicinity an agent who is thoroughly versed in insurance and ready to render full measure of service, are going to rely upon their trade associations and unbiased insurance counselors. They are not likely to turn to self-insurance unless the old sources fail them. There is much misunderstanding as to the exact status of the agent compared with that of the broker.

Purchasers must be more discriminating in the choice of intermediary advisors, and in the selection of the contract. The situation is a challenge to all producers.

The intermediary should be selected for dependability, progressiveness, keeping pace with frequent changes in insurance procedures and cooperative concern.

He said he prefers an agency which employs a field engineer or inspector. The agent should have a follow up system to avoid expiration over-sight and assistants who are accurate in comparing policies, rates or manual requirements. The agent should take pains to explain the various situations and requirements that arise. At the time of loss, a good agent is a practical arbitrator between the claimant and the insurer.

Eschews Sentimental Considerations

Mr. Betterley said sentimental considerations, friendship and reciprocal trading should not be governing factors in the placing of insurance. The important factors are knowledge of prin-

ciples and practices, honesty of purpose and creative ability.

Unfortunately, he said, the square deal seems to have been forgotten in many insurance relationships. Many assured believe the underwriters are legitimate prey. Insurance has long been considered a necessary evil. Likewise the insured has been an easy prey of unscrupulous sellers.

Insurance need have no fear of the ultimate outcome if it furnishes the type of protection and service needed. "If the individual plans of policies will not stand legitimate questioning, there is good reason for alarm. If they meet the test, confidence will be multiplied.

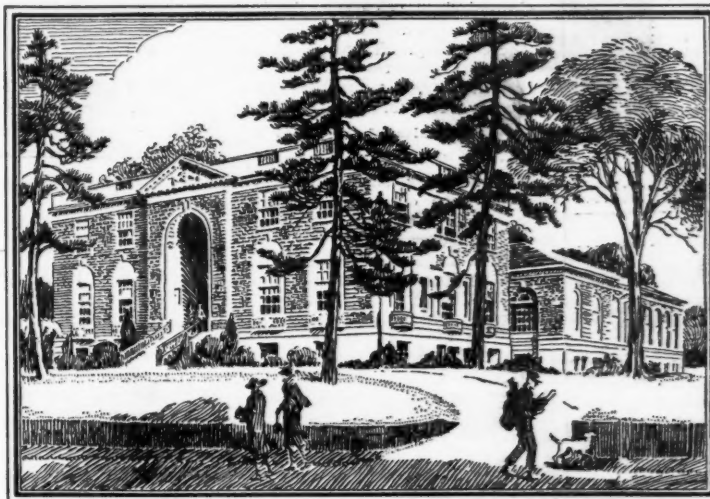
There is no place for high pressure in selling insurance, for it is not a commodity for quick consumption, but a safeguarding medium against unforeseen circumstances. The practice of clinching accounts by stock purchases, loans, planting agency representatives in the insured's office or of appointing buyers as agents is against public policy."

Need Central Organization

It is a time for fact finding by all and for all, he said. He pointed out that he had in the past suggested a central research bureau and this has found a favorable response from several company officials. There is need, he de-

clared, of a central organization or place where suggestions and complaints may be filed and a study made of the broad problems of insurance as they exist. Such a bureau might formulate uniform policies and methods. The buyers do not desire to dictate but they feel that their experience in the practical application of insurance may be of mutual benefit and they can make some contribution to the research program.

H. L. Bailey, Jr., New London, Conn., associated with his father, H. L. Bailey, Sr., in the H. L. Bailey & Son agency and president of the New London & Suburban Association of Insurance Agents, has announced his candidacy for the Democratic nomination for sheriff.



Conservative as New England Progressive as America Security of New Haven

COMPANY MANAGEMENT

"... it is their care that the wheels run truly"—KIPLING

THE astute New Englanders who laid the first foundations for this sound insurance company and those who subsequently have developed the SECURITY OF NEW HAVEN to its present enviable position have always followed the policy of management that can be termed "conservative-progressiveness." The conservatism comes naturally from this New England heritage and background; the progressiveness from the desire to build a lasting insurance institution capable of safely protecting the needs of its agents and policyholders.

There is often a tendency for organizations to alter their ideas in times of seeming prosperity but the toll

is paid on a different day. Not so, however, with the SECURITY OF NEW HAVEN, because in times of prosperity as well as adversity there has been no deviation from the established policy of management.

THE SECURITY OF NEW HAVEN, by being fixed and steadfast in its idea of management has recognized that "Haste makes waste" and has therefore not sacrificed its policy of "conservative progressiveness," but none has built more soundly than this 93 year old financially strong New England company. These are the characteristics that appeal to conservative, forward looking agents.

1841

Security Insurance Company
OF NEW HAVEN, CONNECTICUT

AFFILIATE COMPANIES:

The Connecticut Indemnity Company
NEW HAVEN, CONNECTICUT

The East and West Insurance Company
OF NEW HAVEN, CONNECTICUT

California Union Insurance Company
SAN FRANCISCO

WESTERN DEPT.: ROCKFORD, ILL.

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.

August Fire Losses Are Under 20 Million Mark

August fire losses of \$19,613,146 represented a 20.46 percent decrease, or \$4,013,359 from the August, 1933, total, and were .66 percent above the losses in July, according to the National Board. July was the first month in several years in which the losses were less than \$20,000,000 and the August total remained under that figure. Total losses for the eight months of 1934 amounted to \$197,161,693, a reduction of 12.3 percent.

The following table shows a comparison of losses:

	1932	1933	1934
Jan.	\$39,224,783	\$35,547,565	\$28,002,583
Feb.	39,824,622	36,661,481	31,443,484
Mar.	49,189,124	35,321,248	31,312,559
April	43,822,233	27,825,970	22,028,943
May	39,270,524	24,338,714	25,271,459
June	34,338,670	21,578,609	20,005,692
July	32,982,434	20,004,049	19,484,027
Aug.	31,425,931	23,626,505	19,613,146
Total 8 mos.	\$310,078,321	\$224,904,141	\$197,161,693
Sept.	30,972,318	20,447,571
Oct.	30,734,458	21,465,382
Nov.	31,167,708	22,454,200
Dec.	39,190,506	27,626,439
12 mos.	\$442,143,311	\$316,897,733

Merritt Says Pearl Won't Cut Rate in Washington

SAN FRANCISCO, Sept. 19.—Stat-ing that "any truly great national or international insurance organization must serve the needs of the whole insuring public," and not just a part on a classification basis, A. L. Merritt, newly appointed coast manager of the Pearl group, issued a statement to the effect that his companies are not in sympathy with any "stampede to file deviations in Washington." Mr. Merritt also said: "Our belief is that the Washington Surveying & Rating Bureau knows more about the rating requirements in that state than any individual or group domiciled outside the state. The wise and responsible will be loath to discount that advice, though the opportunist presses his advantage. The whole procedure is just one more cartridge in the belt of those who would reguigate our business through political agencies. Therefore, unless and until compelled to file to protect established producers from ruin at the hands of the deviators, the Pearl group will adhere to the present basis."

Complete Program For the Advertising Conference

NEW YORK, Sept. 19.—Final arrangements have been made for the annual meeting of the Insurance Advertising Conference at the Westchester Country Club Oct. 1-3. An unusually interesting program has been set up and a large attendance is expected. Among the speakers will be A. T. Falk, director of bureau of research and education, Advertising Federation of America; A. E. Haase, Association of National Advertisers, who will speak on "Methods of Determining the Advertising Appropriation;" L. L. Montgomery, on "Psychology and Risk Bearing;" Col R. C. Eddy, director, Massachusetts Safety Highway Study; Merle Thorpe, editor, "Nation's Business;" A. W. Lehmen, Association of National Advertisers, speaking on "Broadcast Advertising;" George J. Kutcher, general agent Northwestern Mutual Life, whose address will be "How to Meet Objections to Life Insurance," and William Leslie, National Bureau Casualty & Surety Underwriters, Clarence Axman, editor "Eastern Underwriter," will give an informal talk on his trip abroad on Sunday evening, Sept. 30.

Examiner McGee Resigns

E. G. McGee, chief examiner for the Missouri department, has resigned to become field examiner for the department at his own request.

Action of E.U.A. Most Humiliating

(CONTINUED FROM PAGE 2)

non-affiliated agency can be entered by any affiliated company."

Details of the plan will be worked out by the executive committee. Long standing and highly regarded personal relations between agents and non-affiliated companies will not be disturbed.

No new mixed agency in any of the centers may be created, "either by merger, sale or otherwise." New York City and New York suburban are not affected.

Commissions are not to be interfered with, although there have been reports to the contrary. At no point in consideration of separation, it was stated on high authority, has any suggestion been made to alter commission agreements.

Results of Check-up

The checkup of agencies in the excepted territory showed that fully 80 percent were clear and the remainder represented both association and non-association companies.

The E. U. A. determined to enforce separation in excepted territory at a special meeting March 7, setting July 1 as the date for enforcement. Practical considerations caused the organization at a meeting June 21 to delay enforcement while a canvass of the situation in the affected districts was conducted. The E. U. A., however, reaffirmed its adherence to the principle of clear agencies.

The W. U. A. followed suit at a meeting at White Sulphur Springs, W. Va., April 18. In the west, the separation program took the form of a provision requiring the maintenance of clear agencies as a condition of membership. That provision had been declared operative so far as Chicago was concerned and some of the companies had actually approached their mixed agencies in that city.

The separation announcement of the E. U. A. is not altogether pleasing to the nonaffiliated companies, many of which have been staging an intensive drive since the first of July and have gotten into several mixed offices in excepted territory. They are wondering what will happen to the appointments they have made within the past six to eight weeks.

Chubb Warns of Marine Shackles

(CONTINUED FROM PAGE 2)

ment would certainly not serve the interests of the assured, he said.

"I have no sympathy," he declared, "with a company that uses its inland or marine department as a cloak to cover violation of obligations or tariffs of associations of which they are members, but I am definitely sympathetic with the idea of offering broad, all-embracing forms where the needs of an assured are such as to make this necessary for his complete protection."

Insurance Can't Stand Still

Agents and executives should study constantly the needs of the assured and recognize that with changes in transportation, manufacture and distribution, comes the need for change or adaptation in the character of his protection. Insurance cannot stand still.

By the nature of the needs of the country, Mr. Chubb declared, the greatest part of its insurance can and should be written on the fixed forms of fire and casualty. But the companies, he declared, should never attempt to force under such forms business which could better serve the public written otherwise.

He pointed out that companies and agents content themselves with trying

Percy H. Goodwin Memorial

Words are inadequate to express the profound sorrow and deep regret felt by the entire membership of the National Association of Insurance Agents because of the sudden passing of Percy H. Goodwin, beloved member of this organization and one of its outstanding past presidents. Few men, if any, have contributed as much to the welfare of the business in which they were engaged as he did to the insurance business in general; and his loss is not only a severe blow to the agency organization, which he served so unstintingly and well, but also to the insurance industry as a whole.

His genius was constructive; his gift of foresight was far beyond that of the average for the better things in the insurance business; his knowledge was representative of years of accumulated technical information in every avenue of this great business; his intelligence in matters affecting the welfare of the business was keen and his courage and fine judgment were a source of inspiration to all those whose interests were for the paramount good of the business.

We will always think of him as our great leader because of his many accomplishments and although he may not be with us in his tower of physical strength we cannot but feel that his Spirit will ever be our guiding star and his memory will be cherished by all until, as time goes on, we join him in the Great Beyond.

Clyde B. Smith, Lansing, Mich.; W. B. Calhoun, Milwaukee; G. M. Seay, Dallas; C. B. White, Seattle; Wm. H. Menn, Los Angeles, Chairman; T. S. Ridge, Jr., Kansas City; Clifford A. Payne, Jacksonville, Fla.; Archie B. Gile, Hanover, N. H., committee.

St. Paul Group Is to Form Pacific Coast Department

SAN FRANCISCO, Sept. 19.—The St. Paul and affiliated companies will establish their own Pacific Coast department Jan. 1, according to announcement issued to agents Tuesday by President F. R. Bigelow. This means that the present separate offices of the marine, fire, automobile and casualty departments after that date will be under one roof although active underwriting of the several departments will remain under the same direct supervision.

This also means that the firm of Goodwin & Allan, formed when the Pacific department of the London Assurance was consolidated with the Benjamin Goodwin office, will be dissolved. Clarence Allan will establish new quarters for the London Assurance and London & Scottish. Mr. Goodwin will remain manager of the fire department of the St. Paul and also the Royal Exchange, according to a separate announcement made by Gayle Forbush, United States manager.

Lloyds Seeks Ontario License

TORONTO, Sept. 19.—Although no official verification is forthcoming, it is believed here that the London Lloyds is negotiating directly with the attorney-general of Ontario with a view of obtaining a license to operate in this province. It is understood that applications to operate in other provinces, with the exception of Quebec where it is already licensed, will be sought as occasion demands.

The terms under which Lloyds is seeking the license or those under which the Ontario department would be willing to grant it are not known.

That such a proposal will meet with serious objection from the stock companies is certain but at the same time they fear that should such a license be refused there will be an increase in the amount of business written in Ontario through Lloyds' Quebec agency.

At the convention of the Association of Superintendents of Insurance discussion of the controversy centering about Lloyds was banned.

to adopt some cumbersome form of policy to meet a situation that was never contemplated at the time it was drawn, to apply some rating formula that ignores certain essentials of the hazards involved. Although opposed to discrimination, he said a rate or formula which does not recognize facts may provide for a worse discrimination. The agents should interpret to their companies the needs of the clients and constantly should insist that these needs be met in the most enlightened way.

Important Changes in the Missouri Laws Proposed

P. B. McHaney, attorney for the Missouri insurance department, is drafting a bill to carry out the recommendation of Superintendent O'Malley that the Missouri insurance code be thoroughly revised. This will be submitted to the legislature in January. It will be presented to insurance people for criticism beforehand.

Among the provisions to be included in the recommended legislation are requirements for an increase in capital of stipulated premium societies, to forbid the issuance of participating policies by stock life companies, to permit life companies to use the one year suicide clause, to require filing of annual statements "a reasonable time" before a license is granted, to require agents and brokers to pass an examination to show good character and knowledge of the laws and to forbid operation of so-called non-profit mutual benefit societies, which are not now under the jurisdiction of the insurance department.

Amendment will be proposed to the law passed by the last legislature, to provide that loans up to 50 percent of the value may be made on improved real estate only.

As a result of a lesson learned in the Continental Life failure, amendment to the investment laws will be proposed to make it clear that bonds in default either as to principal or interest may not be entered at the amortized value.

Mr. McHaney said an attempt will be made to have sections regarding fire insurance changed to remove ambiguities in connection with rate making and issuance of uniform policies. He said that the proposed revision would require all types of companies to have a stronger financial set-up.

He pointed out that under the present laws a mutual casualty company needs to have only \$25,000 in business. One accident might possibly wipe out such a company.

Program for Mutual Agents

The program has been completed for the annual meeting of the National Association of Mutual Insurance Agents in the Shoreham Hotel, Washington, D. C., Sept. 26-28. The superintendent of insurance of the District of Columbia and a representative of the National Bureau of Casualty & Surety Underwriters will be among the speakers.

Others on the program include President Albert R. Peters, Washington, D. C.; Secretary E. I. Oakes, Washington; F. L. Brigham, Andover, Mass.; S. E. Hanawalt, Columbus, O.; Walter Jackson, Indianapolis; H. H. Shaw, treasurer Southern Dairies, and W. H. Rodda, Washington, D. C., who will talk on fire hazards. A sales demonstration will be put on by Dudley Kincaide, St. Louis, and C. C. Jennings, Baltimore.

NEWS OF FIELD MEN

Alabama Field Men Gather

Haynes of Hines Bros. Elected President at Birmingham Session; Blue Goose Rally

At a meeting of the Alabama Field Men's Association in Birmingham officers elected for a term of one year were: President, Harry Haynes, of Hines Bros.; vice-president, H. J. Morris, Hartford Fire; secretary, S. M. Boykin, Bankers F. & M.

Mr. Haynes succeeds W. G. Ward, Fireman's Fund, who was elected chairman executive committee. Other members of the executive committee elected are: C. P. Smilie, Fire Association; W. H. Hackney, Liverpool & London & Globe; G. R. Williams, New York Underwriters; E. H. Mathews, Jr., North America, and S. T. Maddox, Equitable F. & M.

The Alabama Blue Goose held a meeting presided over by Most Loyal Gander E. G. Darling. The principal topics of discussion were life insurance for ganders and the message from S. M. Boykin, delegate to the Grand Nest meeting at Omaha.

Minnesota Blue Goose Outing

The Minnesota Blue Goose held its annual golf tournament at the Town & Country Club, St. Paul. The tournament was preceded by a luncheon. Some 45 ganders participated.

The handicap event for ganders without club handicaps was won by Sim E. Wherry, which carried with it the Higley trophy; second in this event O. R. Van De Wall, and low gross, W. E. Lindroth. The handicap event for ganders with a club handicap was won by Mortimer Hastings; second low net, Ralph Erling, and third low net, Edward Johnston; low gross in this event, V. V. Roby. Blind bogey was won by F. H. Barney; second, George W. Harsh, and third, Theodore Karlquist. Philip Baumann had the lowest number of putts in the 18 holes and Joseph H. Gosnell was second in this event. The putting contest was won by E. F. Griswold, second prize by T. G. Linnell. M. W. White had high gross for the day and won the over seas' cup.

Michigan Officers Reelected

All officers, headed by F. A. Syrett of the Northwestern National, were re-elected at the annual meeting of the Michigan Field Club, the organization of field men of Western Insurance Bureau companies. The meeting was held at the Meadow Brook Golf & Country Club near Northville, Mich. E. V. Rawlings of the Monarch was reelected vice-president and D. C. James of the Firemen's group continues as secretary-treasurer. To the executive committee were elected D. B. Gamble, M. L. Dege-naar and A. A. Beckert. On the loss committee are A. M. Jackson, Bruce Howard and Mr. James.

Mr. James won the blind bogey prize during the golf tournament. A. M. Jackson turned in low gross and Bruce Howard low net. Presentation of the prizes was made at a round table gathering after dinner.

The Kansas and Missouri club held a meeting Sept. 19. J. Y. Dickerson of Topeka, Firemen's group, is secretary.

To Plan Inspection Program

DETROIT, Sept. 19.—Plans for the fall and winter program of inspections and other activities of the Michigan Fire Prevention Association will be made at a meeting of the executive committee in Grand Rapids in conjunction with the National Association of Insurance Agents' convention. President J. R. Baker, Grand Rapids, state agent Balti-

more American and National Liberty, will be in charge. Several cities, including Petoskey, Charlevoix and Marquette, have requested the association to conduct inspections.

Owens, Haynes Swap Jobs

E. W. Owens, formerly special agent at Spokane for the General of Seattle group, has been transferred to Denver in charge of the mountain states department. Cecil D. Haynes, formerly Denver manager, has assumed charge of the Spokane office.

C. A. Hawk Resigns

C. A. Hawk has resigned as special agent in northern Ohio for the Rhode Island group. Freeman Wilson, special agent, is temporarily supervising the territory pending the appointment of a successor to Mr. Hawk. Vice-President Clifford E. Pieper is in Cleveland to fill the vacancy.

Lovell Gives Report

A business meeting of the San Francisco Blue Goose was held Sept. 17, in conjunction with the usual luncheon. The report of W. T. Lovell who has returned from the grand nest meeting at Omaha was heard. Future activities of the pond was the main topic.

Report on Grand Nest

Interesting points brought out at the recent grand nest meeting at Omaha were outlined by T. R. Phillips and A. B. Stewart, delegates, at the meeting of the Oklahoma City Blue Goose Monday. Carl Edwards, Fire Companies Adjustment Bureau, was presented a past most loyal gander emblem.

Vote for Fall Meeting

The executive committee of the Oklahoma Fire Underwriters Association has voted for a fall meeting. Although no definite date has been named, President T. Ray Phillips said that the meeting would probably be in October in Oklahoma City.

CHICAGO NEWS

PALMER ON THE PROGRAM

Ernest Palmer, director of Insurance for Illinois, and Samuel O. Dunn, editor "Railway Age," have accepted invitations to address the annual meeting of the Illinois chamber of commerce at the Stevens Hotel, Chicago, Oct. 18-19. Both Mr. Palmer and Mr. Dunn will speak on the latter date, Mr. Palmer to the insurance executives and Mr. Dunn to transportation executives.

AGARD HOTEL REPRESENTATIVE

Frederick W. Agard, who for more than ten years has been doing a general insurance business in Chicago and is well known to many of the agencies in that city, has during the past year acted as Chicago representative for the Essex House, New York's newest and finest hotel. Since becoming established in this territory Mr. Agard has built up a large following of new patrons who find it necessary to visit New York.

When Mr. Agard was engaged in the insurance business he operated as the Capital Insurance Agency.

INSURANCE MEN HONOR MULLANEY

A number of Chicago people participated recently in the stag party for Anthony J. Mullaney, deputy fire marshal of Chicago. This was in the nature of a bachelor's party for Mr. Mullaney, who was recently married. It was attended by many of the city's politicians.

J. S. Glidden, manager of the Chicago Board, attended and spoke a few words of tribute. Other insurance people on hand were J. A. Neale, chief engineer of the Chicago Board; Charles Buresh, vice-president Chicago Board; J. M. Newburger and P. B. Hosmer. Chief F. J. McAuliffe of the Chicago fire insurance patrol was also there.

FIRE EXAMINERS TO MEET

The Association of Fire Insurance Examiners of Chicago will start the meetings of the season Sept. 20 at a dinner gathering at which J. F. O'Keefe, secretary Chicago Association of Credit Men, will speak on "Credit as a Business Asset." J. B. O'Connor, the new president, will preside.

Canadian Hail Loss Heavier

TORONTO, Sept. 19.—Hail insurance in Canada, the period for which expired Sept. 15, is expected to record a loss ratio of about 75 percent for the year.

Last year the ratio was 48 percent, and in 1932, 36 percent. A decline in premiums written has been coupled with losses which were particularly heavy in southern Alberta, and some parts of Saskatchewan, particularly the Regina area.

Propose Insurance Section

MONTREAL, Sept. 19.—The question of uniformity of legislation in regard to insurance was dealt with at the annual meeting of the Canadian Bar Association, with the consideration of forming a special insurance section of the association to hold conferences, the results of which could be passed on to the superintendents of insurance. Further action was held in abeyance for round table discussion.

Engagement of L. D. Freeman, Jr., engineer for the Southeastern Underwriters Association, Richmond, Va., to Miss Martha E. Tower, has been announced.



NAPOLEON SAID:

"opportunities do not happen . . .

they are made." The Little Corporal turned opportunities into victories by using sound plans. We have a plan whereby you can make opportunities for insurance sales and we will go a long way to prove it. In fact, we will show you proof in the form of enthusiastic endorsements from our agents throughout the country who are making planned progress mean planned profit.

Our plan is bringing results. Perhaps because it is not based on blanket reasoning. We know from experience that a profitable plan can only be prepared after securing full information about the agency, its market and its competition and applying the principles of sound advertising and selling.

Such a procedure means more work for our Sales Promotion Department. But it also means more premium income for the agent. You will find the plan described in detail together with endorsements from agents in our free booklet "Planned Progress*." Find out the extent of our co-operation with progressive agents as it is described in this interesting, new booklet. Write for your copy today.

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WRITE FOR YOUR COPY TODAY

★Boston Insurance Company
Old Colony Insurance Company
Desk "C," 87 Kilby Street, Boston, Mass.

Send me "Planned Progress*" which describes a basic selling plan for today's agent to win today's business. I understand I may keep this booklet without charge and without obligation.

Name

Address

Bennett Brings Out Some Important Points in Meet

(CONTINUED FROM PAGE 1)

borne in mind that the American companies do not meet with the same cordiality in Great Britain as is accorded to the British companies here. British companies get \$100 of business from this country for every dollar that is obtained by American companies abroad. "If the British companies," he concluded, "expect to maintain their standing in this country, they should endeavor to bring about equality of opportunity for American companies throughout the British empire. The discrimination now existing is obvious and should be removed."

Political Work of Agents

Mr. Bennett said agents are more and more taking an interest in political affairs, intelligently exercising their franchise. They are sounding out candidates for office as to their position on insurance questions before casting the ballot. Where the agents take an interest in the election of candidates, rabid and harmful insurance legislation is not likely to follow.

Insurance agents again will be called upon by their companies to aid in legislative affairs. Mr. Bennett warned against granting such aid blindly. "We have a right to expect that, when we spend our time and money to save the companies from confiscatory taxation or other unwarranted legislation, the agent should be accorded relief from some of the company practices that are serving as an indirect tax on the skill and ability of the agent, and stopping his income just as surely as direct taxation undermines the financial structure of the company."

Federal Regulation Proposed

Speaking of federal regulation, he said that the proposal of such a system is not new. In 1904 President Roosevelt urged Congress to consider whether the power of the bureau of corporations cannot constitutionally be extended to cover interstate transactions in insurance. In 1865 the National Board was organized. The call that went out for a preliminary meeting was predicated upon an invitation for federal regulation. At that time a resolution was adopted: "That Congress at its next session be memorialized to consider and enact such laws as shall eventually nationalize the business of insurance."

However, there gradually grew up a fear of governmental control and the pendulum swung to the other extreme.

Insurance attaches itself to all commerce and differs very much from the manner in which the business was conducted 50 years ago. "This modern development," he said, "may easily bring the cycle swinging back toward national supervision of an admittedly national business." The possibility of federal regulation, he said, should be explored.

Sees Companies Obligated

Mr. Bennett expressed sympathy for the companies in their compensation problem. They are goaded to desperation by their experience in this line, he pointed out. "But it does seem to me that the companies which encouraged the passage of compensation laws cannot now evade their responsibility," he declared. Compensation was developed as a form of insurance and the companies have millions at stake in it. The agents are confronted with a demand from their clients to furnish it. His conclusion was: "Unless ways are devised for providing it on a businesslike basis, I fear that the pound of flesh demanded will be too dear a price for the business to pay."

Concluding, he said the agent's road to recovery lies in orientation of his confidence in his principals, undermined through a multiplicity of boards and bureaus; through recognition of the agency system in government insurance require-

Special Gathering of State Officers

(CONTINUED FROM PAGE 3)

speakers concerned themselves with membership and organization problems. D. G. Foreman, Fort Worth, secretary Texas association, spoke on "Solicitation of Members by Direct Mail." Frank C. Colridge, Oakland, executive secretary California association, discussed regional meetings. Payne H. Midyette, Tallahassee, president Florida association, explained his state's plan for handling legislative work. Local boards and their value to a state association was discussed by J. Roy Donham, president Arkansas association.

F. L. Greeno, Rochester, N. Y., said during the informal discussion that the National association does not have a large enough membership to be considered a representative body either by legislators or nonmembers. He contends that with all the local agents there are in the country the National association's membership total should be at least 50,000. In order to achieve something approaching that figure he suggested that employees in local agencies be admitted to membership on limited basis with annual dues of \$1 or \$2. Such members would not be given voting privileges and their rights might in other ways be somewhat restricted but they would have the effect of swelling the membership roll and making the total membership much more impressive. Mr. Greeno emphasized repeatedly that the organized agents of the country need greater numerical strength.

Texas Attitude on Mutuals

D. G. Foreman evoked a round of applause when he said that the Texas association which has 703 members and graded dues of \$10 to \$150 based on net premiums will drop from membership any agent who takes on the representation of mutuals and that on Sept. 1 of this year the Texas association had dropped from its membership list one agency paying membership dues of \$150 and another agency paying \$100. The Texas association will not accept as members any local agents who do not belong to the local board in their city if one is established.

The talk of J. Roy Donham, president of the Arkansas association was followed with considerable interest because of the remarkable strides the Arkansas association has made since March 1 last year. On that date the Arkansas body took a new lease of life. There were at that time only two local boards in the state and there are now 24. There were more than 1,000 licensed agents in Arkansas and today the total is 635. There were 113 agents in Little Rock and at this time there are 60, 34 of whom belong to the local board. Membership in the Arkansas association has nearly doubled in a year and a half and the members of the association are now writing 87½ percent of the total premiums of the state. The membership of the Arkansas association is 100 percent co-extensive, that is, its members must also belong to both their local and the National association.

Arkansas Plan Explained

In making explanations of the development of the local board plan in Arkansas Mr. Donham said that on March 1, 1933, an agreement had been entered into with the companies under the terms of which they agreed not to plant with any non-board agencies in the future in Little Rock and Pine Bluff, the two cities which at that time had local boards. With this as a basis the plan of establishing local boards at other points was followed and each time a new local board was created the same agreement with the companies was followed. With

ments; through a new deal in workmen's compensation; through bringing into line foreign companies which have entered our gates without paying the price of admission.

24 local boards in the leading cities today probably no company would have the temerity to appoint a nonboard agent in any of these cities because should it do so it would be in danger of losing the representation of the remainder of its agents in the principal cities of the state.

Mr. Donham said that now that the members of the Arkansas association are writing the big bulk of the business in the state they are in a position to see to it that incompetent, unfit and unqualified agents are not appointed. He said that any other state contemplating a similar movement should understand that the membership has been increased to the point where it controls the bulk of the premium income, the rest is easy.

At the state officers' meeting, D. G. Foreman of Fort Worth, secretary of the Texas association, acted as leader. He had displayed important form letters, etc., that had been used in Texas in connection with its membership development by mail. He said in Texas the organization had always found the best prospects are agents who attempt to keep informed on what is going on in insurance. Therefore these agents are readers of insurance publications and keep in step with modern developments. When an agent becomes interested in his business he then begins to realize the full value of the work of a trade organization and its necessity for the welfare of his agency.

The principles and practices, which the Florida Local Underwriters Association has followed, in its 100 percent successful legislative program during the past six years, was outlined at the state officers meeting by P. H. Midyette, Florida president. During the past six years, the state association has not failed to cause the passage of any measure introduced and sponsored by it and has never failed to accomplish the defeat of any measure opposed by it. Mr. Midyette during that time has been chairman of the legislative committee. With becoming modesty, he credited the success to the whole-hearted cooperation of the membership.

Follows Four Point Plan

The Florida association has what might be termed a four point plan. The association believes that members of the legislative committee should have an intimate acquaintance with as many members of both houses as possible. Furthermore, the legislative committee must have the confidence and support of the commissioner. The association feels the committee should sponsor and have introduced only such measures as are deemed absolutely necessary for the betterment of the business. And lastly, the state association undertakes to lend its influence in the passage of any fair legislation affecting the business and endeavors to defeat only such measures as appear dangerous to the business.

In pursuance of this plan, the committee began a systematic campaign to become acquainted with as many members of both houses as possible, not so as to be able to influence them on account of personal relations, but to create confidence in their judgment. These contacts were established systematically and were not the result of frenzied activity just prior to the convening of the session.

Upon the convening of the last three sessions, the members of the legislative committee, Mr. Midyette said, have known more or less intimately fully 80 percent of the members of both houses.

The committee has been close to the insurance commissioner. Legislation has never been introduced without first being discussed with him. Likewise the commissioner has never introduced any legislation without first consulting the committee.

The fact that the association has sponsored only affirmative legislation that is regarded as absolutely necessary,

has relieved the committee of the necessity of constantly appearing before insurance committees. He warned of the danger of trying to put through a mass of affirmative legislation which is not essential. The agents are likely to get a better audience when they come before the legislature only on a few matters of vital importance.

During the last two sessions of the legislature, Mr. Midyette said it has not been necessary to call a single agent to the capital.

Colridge on Regional Meets

Frank C. Colridge, executive secretary of the California Association of Insurance Agents, in addressing the state officers' meeting, told of the system of regional meetings in his state and the good they had accomplished. Prior to 1930, such meetings in California were scheduled only occasionally, when some particular subject was up. In that year membership of the California association doubled and the officers realized that it was necessary to keep in touch with the new membership, so that their interest would be retained. The state was divided into eight regions, with a regional committee. Two series of meetings each year were scheduled, the first in January and the second in May or August. The president and executive secretary were directed to attend each series. As the plan developed, it was decided that the senior vice-president should go on the junket.

The dates of the meetings are fixed and an itinerary is arranged. Regional chairmen are notified and requested to make arrangements with the local people of the selected cities. Notices are mailed to all members in the vicinity about ten days in advance of the district meeting. Only insurance producers are permitted to attend. Programs consist of addresses by the president and other officers that accompany him and then there is a discussion period.

This plan overcomes the tendency to make district meetings occasional affairs and places them in an orderly basis. It affords opportunity for state officers to meet with the largest number of members in the shortest period of time, to secure reactions on important problems, to observe trends of thought, to become intimately acquainted with members, to secure new members and to find new leaders. The system is a great factor in building a strong unified state association.

Despite the constantly increasing activities of the National association, expenses for the past year were substantially less than provided for in the budget, Chairman Frank T. Priest, chairman of the finance committee, reported. Most of the economies were necessary due to the number of unpaid current state balances, but that situation has substantially improved. The state associations are slowly but surely overcoming the tremendous financial handicaps under which they have operated for the last four years. The membership charge of 50 cents a month is expected to increase membership and produce \$4,754 more revenue than last year, although it will represent a reduction of approximately 10 percent from that of two years ago.

The total receipts last year were \$8,485 less than the year before and the total expenses were \$6,082 more. A draft had to be made on the power development fund in order to meet the excess expenses.

Prominent Canadian Dies

C. B. McKnight of the Toronto insurance brokerage firm of Reid, Shaw & McKnight, died Sept. 16 from a heart attack. His interests included many leading Canadian corporations. He had been in failing health for the last two years. He entered the insurance business in 1895, and was 57 years old when he died.

The Twin City Fire and Twin City Underwriters have been licensed in Oregon.

Arrange New Corn Insurance Setup

CCC Will Require the Borrower to Buy Specific Fire and Wind Cover

RATE IS CUT IN HALF

Farmer Will Be Charged 75 Cents Per \$100 Coverage—Glens Falls-Hartford on Excess Contract

The insurance setup in connection with the new \$100,000,000 program of the Commodity Credit Corporation for loaning to farmers at the rate of 55 cents a bushel on their corn, becomes known this week.

As during the past year, when loans have been made at the rate of 45 cents a bushel, an excess policy is carried by the CCC, which is issued jointly by the Hartford and Glens Falls.

An important difference this year is the fact that the CCC is demanding that the farmer purchase specific fire insurance in the amount of his loan, as a condition of the transaction. During the past year, such a requirement was not made. Indeed, when the plan was first announced last year, the CCC issued a statement that the farmer was not required to buy insurance. Later, however, considerable effort was exerted to cause the farmers to buy specific insurance, on the theory that if they did not do so and they suffered a fire loss, the Hartford and Glens Falls could proceed against the farmer to recover the amount that they had paid to the CCC on account of that loss.

May Patronize Agent

The farmer may purchase his specific insurance with whatever company and through whatever agency he chooses. The Hartford took particular pains this year to inform other companies of the CCC plans, so that they might have an opportunity to go after the business on an equal basis.

The rate for the new specific insurance is 75 cents per \$100 as compared with the rate of \$1.50 last year. The farmer must insure up to 55 cents a bushel and may insure his equity above that. The companies writing the specific insurance this year have had extremely profitable experience with only a handful of losses, and the government insisted on a drastic modification in the rates, as the price of demanding that the borrower buy insurance. Thus it is assured that there will be premiums of \$750,000 to divide among the companies writing the specific insurance. That the farmers will borrow rather than sell their corn at the current market price which is nearly 80 cents, is taken for granted, as the farmer is a gambler and is looking for higher prices.

L. G. Warder, farm superintendent in the western department of the Hartford, was in Washington last week and this, completing the details.

The companies issuing specific insurance will require that the business be written on the annual basis. Since the individual premium is small, they want the advantage of short rate cancellation.

Lilly in Mountain Field

DENVER, Sept. 19.—George W. Lilly, general manager Fire Companies Adjustment Bureau, attended the monthly meeting of the advisory and loss committees here Monday. He also discussed other matters of general interest in the mountain territory.

To Home Office



S. A. MEHORTER

S. A. Mehorter, state agent in northern New Jersey for the Home of New York, and most loyal grand gander of the Blue Goose, has been advanced by his company to a head office position. He now becomes an agency supervisor in the eastern department. A similar promotion has been given J. W. Teese, manager of the Camden office of the Home.

Mr. Mehorter started in the business with the Schedule Rating Office of New Jersey. Later he joined the Continental in its Philadelphia office. His next connection was with the North America in the field. He became state agent for the Home in 1929.

Mr. Teese started in the business in 1912 in the Philadelphia office of the Home. Ten years later he was made counterman and in 1926 was transferred to Camden as manager.

Unpaid Premium Total in New York Much Reduced

NEW YORK, Sept. 19.—Fire companies reported 8,179 entries for \$27,414 unpaid earned premiums on New York City business for April, as compared with 10,727 entries for \$37,846 in April, 1933. Manager Charles Stulz of the central bureau has reported to the New York department. Casualty companies reported 4,457 entries for \$90,396 as compared with 6,224 entries for \$150,281 last year.

Pearl Enters Kentucky

LOUISVILLE, Sept. 19.—The Pearl, which about a year ago made application for license to do business in Kentucky, but failed to furnish desired information regarding operations, has finally complied with all requirements and has been issued a license.

Due to its ability to write large lines its entry into Kentucky is of widespread interest to insurance men in the state.

The Western Underwriters Mutual of Kansas City has been admitted to Colorado.

WANTED

The National Underwriter Co. is desirous of adding an experienced statistician—compiler, man or woman, to its statistical department in Cincinnati. These publications include the Unique Manual Digest, Little Gem Life Chart, Argus Fire and Casualty Charts, etc. Write stating qualifications and experience with salary expected to

President, The National Underwriter Co., Cincinnati, Ohio.

STATEMENT AS OF JUNE 30, 1934

ASSETS	
Mortgage Loans	\$ 103,950.00
*Bonds and Stocks	7,107,653.33
Cash on Deposit	738,848.76
Premiums in Course of Collection	849,873.95
Reinsurance Recoverable on Paid Losses	40,850.35
Interest Accrued	38,098.63
Missouri Premiums Impounded	53,538.22
	\$8,932,813.24
LIABILITIES	
Unearned Premium Reserve	\$3,840,899.83
Unadjusted Losses	265,881.00
Missouri Impounded Premiums	52,863.29
Minnesota Surcharge	182.89
Voluntary Reserve	150,000.00
†Contingency Reserve	185,158.56
Capital Stock	\$1,000,000.00
Net Surplus	3,437,827.67
	\$8,932,813.24

*Valuations on basis approved by National Convention of Insurance Commissioners.

†Contingency Reserve, represents difference between value carried in assets and actual June 30, 1934, value.

Incorporated 1897

Northern
Insurance Company
of New York.

83 MAIDEN LANE, NEW YORK

RHODE ISLAND INSURANCE COMPANY

31 Canal Street
Providence, Rhode Island

STATEMENT, JANUARY 1, 1934

Assets	
Stocks and Bonds	\$3,132,050.97
Cash in Banks	168,593.12
Agents Balances Outstanding	391,604.64
Accrued Interest and other Assets	75,738.69
	\$3,767,987.42

Liabilities	
Reserve for Unearned Premiums	\$1,247,457.25
Losses in Course of Adjustment	162,534.00
Reserve for Taxes, Expenses, and all other Liabilities	394,183.81
Reserve for Contingencies	251,885.00
Capital Stock	\$1,000,000.00
Net Surplus beyond all Liabilities	711,927.36

Surplus to Policyholders 1,711,927.36
\$3,767,987.42

NOTE: Contingency Reserve fully adjusts as follows:—
Bonds eligible are amortized, otherwise valued at actual Market.
All Stocks are carried at actual Market Value.



A Strong, Conservative New England Company

Local Agents Now Holding Convention

(CONTINUED FROM PAGE 3)

the project to its completion." Mr. Bennett a few years ago inaugurated the custom of bringing to the front at the first session an inspirational subject. His thought is always interesting and stimulating.

At the first session was an important representative of premium payers, P. D. Betterley of Worcester, Mass., assistant treasurer the Graton & Knight Company. Mr. Betterley is best known to insurance men through his activity in the American Management Association, having been former chairman of its insurance division. It was through his instrumentality that the insurance division developed into one of the chief departments of the organization. His address created real interest and was looked upon as an expression from the outside that was well worth heeding.

During the afternoon session Hendon Chubb of the widely known firm of Chubb & Son of New York City, gave an address on "The History and Development of Marine and Inland Marine Insurance." Mr. Chubb is one of the authorities on this subject. Inland marine insurance is engrossing the minds of local agents more and more.

J. W. Henry's Talk

Another talk during the afternoon was by J. W. Henry of Pittsburgh, head of the casualty department of the Aetna Life organization in his city, who has served as president of the National Association of Casualty & Surety Agents and was recently elected president of the Pennsylvania Association of Insurance Agents. Mr. Henry spoke largely from the sales opportunity standpoint.

W. A. Reiser of Louisville, chairman of the legislative committee, and W. P. Fischer of West Palm Beach, Fla., chairman of the fire and accident prevention committee, and W. E. Harrington of Atlanta, former national president, chairman of the workmen's compensation committee, all made reports.

During the proceedings Henry A. Steckler of New Orleans, president American Association of Insurance General Agents, brought greetings from his organization.

On Monday a new activity was inaugurated as the executive secretaries and managers of state associations and local boards met and decided to have regular sessions hereafter.

Tuesday's Activities

Tuesday started off with breakfast conferences of national councillors. E. J. Cole of Fall River, Mass., was in charge of eastern territory; George W. Carter of Detroit, central west; H. C. Arnall, Newnan, Ga., southern, and H. J. Thielen of Sacramento, Cal., Pacific Coast. At 10 o'clock the national council was called in session presided over by President Wolff. While the councillors were meeting the state officers held a conference with Executive Chairman E. J. Cole presiding. There was a joint luncheon of the councillors and state officers. In the afternoon were the local board conferences divided into three groups. C. C. Eubank of Ogden, Utah, national councillor from his state, presided over those representing boards in points up to 50,000 population. C. E. Swope, Jr., president Louisville Board, had charge of the second group, the top being 250,000 population. Monroe Porth of Milwaukee led the higher population contingent.

During the afternoon was the annual meeting of the Michigan Association of Insurance Agents with President W. G. McCune of Petoskey in charge.

Executive Chairman Possibilities

Rochester is making a big bid for the next annual convention. While Kenneth H. Bair of Greensburg, Pa., is the general favorite for the next chairman of the executive committee there are two other men in the offing whose names are being prominently mentioned, they being Sidney O. Smith of Gaines-

ville, Ga., and Albert Dodge of Buffalo. All three men are particularly strong and forceful. The nominating committee will not meet until Thursday afternoon. The annual ball will be held Thursday evening as will the past presidents' dinner. There are a large number of company organization men present.

Personal Prizes Are Given

The host committee has on hand a large variety of personal prizes including furniture pieces, ensemble and separate, and beautifully finished luggage. Some of these have been donated by furniture manufacturers in Grand Rapids and others by a few insurance companies.

The entertainment for the ladies with Mrs. James M. Crosby, Jr., of Grand Rapids, as chairman, and Mrs. Clyde B. Smith of Lansing as vice-chairman, is providing tours about the scenic section of the nearby surroundings, lunches, bridge parties, etc., at the city and country clubs, visits to the furniture exhibit rooms, and into private gardens and homes where characteristic Michigan beauty and hospitality prevail.

WOLFF'S STRONG TALK

The president's address and report of the administration, delivered by Allan I. Wolff of Chicago, started the program on a strong note. He devoted much attention to the various Washington affairs, in which the agents have been interested, including the ill fated code, gratifying reversal of policy on the part of the Commodity Credit Corporation, and the cordial relations with the Home Owners Loan Corporation. He struck some blows at the Interstate Underwriters Board and paid his respects to nonadmitted companies, advocating passage of the Neely bill to cause banks to buy their insurance from licensed companies, together with passage of a law forbidding the use of mails to unlicensed companies. He discussed the branch office question and the failure of companies to participate in setting up self-governing organization within the business.

Following the report of the administration, Secretary W. H. Bennett proceeded to develop the convention theme "The Road to Recovery." He devoted much attention to London Lloyds and suggested how they might be curbed. He spoke of the "Buy American" propaganda, which has crept into insurance, as a reprisal for the "Buy British" movement. He concluded that British companies should undertake to cause a friendly audience for American companies in their country, so as to remove the discrimination that now exists. He said that agents should not be too free with giving legislative aid to their companies, unless there is some quid pro quo. He indicated that he leaned towards federal regulation of insurance.

Address by Betterley

The concluding formal feature of the morning session was the address by P. D. Betterley of Worcester, Mass., assistant treasurer of the Graton & Knight Co. He presented a most intelligent conception of the insurance buyer's requirements and attitude. He advocated the setting up of a central research bureau for the analyzing of modern needs. Such a bureau, he declared, should welcome the advice and suggestions of assured. He declared that unless the insurance companies and agents offer more acceptable service, large buyers will more and more rely on their trade organizations for insurance advice and upon "disinterested counselors." He said the ignorance of assured has been exploited by unscrupulous agents and companies, thus tending to discredit the entire business.

The report of the legislative committee

was presented Wednesday afternoon by Chairman W. A. Reiser of Louisville. It dealt almost entirely with the non-admitted company situation. Mr. Reiser pointed out that the insurance departments find it practically impossible to combat solicitation of insurance by companies not licensed. Therefore, it is only natural that the matter should command the attention of the federal government.

He recalled the efforts made at the last session of congress to control the situation. Senator Neely of West Virginia has expressed his intention to renew his efforts in behalf of restrictive legislation at the coming session of congress. Members of the National association should stand in readiness to lend their assistance at the proper time, he declared. When the call is made, the agents should communicate with their congressmen.

Forty-four state legislatures are meeting next year, he pointed out. He urged agents to follow the activities of their legislatures. The activities of the legislative committees should be directed not only to opposing unfavorable legislation but introducing new legislation that is regarded as necessary.

Chubb in Marine Talk

Hendon Chubb, head of Chubb & Sons of New York, in his address, struck a responsive chord among many agents by advocating free development of coverage to meet modern needs. He gave most forcefully the argument of the marine underwriter against putting that phase of the business in a straight-jacket. He made the contention that narrow and restrictive interpretation of the uniform definition will not serve the interests of the public. Most of the business of the country, he declared, can and should be written on the fixed forms, but the companies should not attempt to force under such forms business which could better serve the public written otherwise.

C. O. Ransom of Cleveland, in discussing the address of Hendon Chubb, referred to the controversy over the handling of insurance on the Cincinnati Institute of Fine Arts. The Ohio department recently ruled that stationary property cannot be written marine-wise, although such coverage may be granted while in transportation. He suggested a solution would be to cover as many perils under a stationary policy as is desired and then issue an endorsement to cover additional hazards of transportation. Such an endorsement, he suggested, should be referred to as mobile coverage.

ADDRESS BY HENRY

The last formal address Wednesday afternoon was given by J. W. Henry of Pittsburgh, who is president of the Pennsylvania Association of Insurance Agents. He gave a number of practical suggestions for the development of automobile business at this time.

The executive committee met Saturday, Sunday and Monday morning. The members went to the fish fry on Lake Michigan Monday afternoon but returned in time for an evening session. The proposal made the HOLC was widely discussed. Secretary Bennett, W. O. Wilson of Richmond, Va., and S. O. Smith of Gainesville, Ga., have spent much time in Washington working in the interest of the agents on governmental activities involving insurance. Mr. Wilson reported on what had been done.

Discuss the Neely Bill

Albert Dodge of Buffalo has been investigating the fire insurance plans of the federal land banks, life companies and some loan agencies where loans are made or properties taken over. Some deals are made direct with companies and often the local agents are left in the cold.

The committee decided to continue its

support of the Neely bill in Congress or one similar to it which prohibits banks that are members of the Federal Deposit Insurance Corporation from insuring in unlicensed companies.

The subject of bank agencies came up and it was felt incumbent on the association to continue its fight on irregular connections of this character.

The members of the committee are convinced that there can be no action secured from companies in adjudicating mooted issues. Inasmuch as the NRA turned down the association's proposed code of fair practices, the committee believes the next step should be to appeal to the state insurance commissioners for aid.

It was decided to have an automobile conference committee to take up all questions relating to automobile insurance. K. H. Bair of Greensburg, Pa., and Albert Dodge of Buffalo were appointed. The sentiment prevailed that the association should continue its study of the automatic cancellation provision as the questionnaire sent out by the late J. L. Case brought out such a favorable response.

On Monday afternoon and evening some 200 went to the Lake Michigan cottage of G. Earle McVoy and M. T. Vanden Bosch for a fish fry and outdoor sports.

GET-TOGETHER DINNER

There were 800 seated at the get-together dinner Tuesday evening presided over by President Wolff. The ex-presidents and members of the executive committee were presented. Insurance Commissioner Gauss brought the greetings from the state. President W. G. McCune of the Michigan Association of Insurance Agents for the state body and J. M. Crosby, Jr., president Grand Rapids Association of Insurance Agents for the city. President McCune introduced the past presidents of the Michigan association and two charter members who were present. Ernest Palmer, Illinois insurance director, spoke briefly. There was professional entertainment of unusually high order. Executive chairman E. J. Cole responded to the welcomes.

Meeting for Secretaries

The state and local board secretaries met Monday for the first time. George Brown of Michigan presided in the morning and F. C. Colridge of California in the afternoon. Organization of local casualty boards, minimum state dues, local board attendance, publicity and advertising were some of the subjects discussed. It was decided to have a conference of these officials at both the midyear and annual meetings and to prepare an agenda for these gatherings hereafter. It was voted to ask the New York office to act as the clearing house for secretarial information.

Cincinnati Brokerage Rule

CINCINNATI, Sept. 19.—At a meeting of the Cincinnati Fire Underwriters Association an amendment to the constitution was passed which affects the payment of brokerage commissions to outside agents or brokers placing business in Hamilton county through local members. Heretofore a commission of 10 percent has been allowed, but the action of the Cleveland board in refusing to pay any commission on business brokered in that city has meant that Cincinnati agents were paying Cleveland agents commission but that Cleveland agents would not pay Cincinnati men any commission. The new rule reads: "No brokerage shall be paid to an outside agent and/or broker if the local association of which he is a member does not grant reciprocal facilities and brokerage."

This does not affect agents of any other towns in the state but Cleveland as the other towns grant the usual brokerage commissions.

W. U. A. STANDS BY SEPARATION

(CONTINUED FROM PAGE 1)

Upon final adjournment most of the members left at once for the west, a number intending to stop at Grand Rapids to attend the agents' convention.

Action upon agency clearance and the annual payment of premiums on term policies was deferred until the concluding session. Since these constitute the most important issues before the gathering, time was desired for their further consideration.

The only resolution adopted Tuesday was the subjoined offered by the committee on cooperation in loss adjustment practices:

"Whereas, public interest and our special interest demand that as far as possible the activities of adjusters for the assured or so-called public adjusters be definitely controlled, therefore

"Be it resolved, it is the sense of this meeting that in all cases where claimants under policies of our members are represented by adjusters for the assured or so-called public adjusters, loss payments on all claims should be made only at the date of maturity as provided in the policy conditions.

Exceptions Are Stated

"This should and does not apply to cases where: First, conditions of settlement otherwise provide, or second, cases where the activities of the adjuster for the assured or public adjusters appearing in an individual case are such as to be commended by adjusters representing the company."

Tuesday's program included the presentation of the president's address, the report of the governing committee, and reports from the committees on finance, loss adjustments in Cook county and loss adjustment practices; Maps, uniform forms and fire protection engineering, each of which dealt mainly with routine matters. The committee on maps advised of an agreement with the Sanborn Map Company whereby that corporation would bulletin companies as to the need for any new city maps before publishing them.

President's Report

The address of President E. A. Henne was referred to the committee on order of business as was the report of the special committee on installment premium payments.

Attendance at the meeting was about normal on the part of the western contingent, though an unusually large number of executives from eastern centers were on hand. Notable among the latter is Wilfred Kurth, president of the Home group who is attending his first W. U. A. gathering.

Henne's Opening Remarks

President Henne, in opening the meeting, said in part:

"I will not attempt in the president's address to present any views regarding the questions which have been before the association in the short term since our annual meeting, preferring to leave such items to be covered in the governing committee's report. Nor have I any requests or recommendations for new legislation, but I will offer some suggestions which I hope will have your careful consideration, and possibly further attention at some subsequent meeting of the association.

"That the business of fire insurance, insofar as it affects the interest and welfare of the public, affords no cause for correction or improvement of its methods by way of experimental regimentation by a governmental agency is, we believe, a splendid tribute to the high character of administration of our business both in respect of its executive management and in the equitable treatment of the public in the collection of premiums and the disbursement of indemnities. That self-government, voiced through the instrumentality of voluntary

organization within the business, has been the largest single factor in building and holding public respect for fire insurance as an institution no one will deny. It may be truthfully said that the great business of fire insurance is at peace with and commands respect in the constellation of successful enterprises. The good name of fire insurance is not the result of selfish or haphazard accomplishment, but rather the reward of exchanges, limitations and sacrifices inherent in associated effort.

Rate Charges Stabilized

"Associated effort or organization in our business has from the very first been largely concerned with rates and commissions. Latterly the rate charges have been measurably stabilized by statutory enactments or state departmental practices in required filings of basic schedules and/or specific rates ascertained thereunder and this stabilization has been supplemented by organization facilities set up to audit premium charges. The intervention between the companies and their agents of a third party, such as the power of the state or the organization audit of premiums is effective in establishing a satisfactory condition in respect of premium charges on a very large majority of the business."

Mr. Henne then discussed the greater difficulty in the control of commissions, but held that any state regulation of the compensation of agents was undesirable. He said that if the companies could hold their heavy taxes down to the present level they would be doing well.

Administrative Costs

"The administrative costs of our business," President Henne continued, "have always been modest, but in the past years have been scaled down to eliminate all non-essential items and reducing all other controllable expenses, including revision of salaries, beginning at the top of the list and encompassing the entire staff."

Mr. Henne pointed out the need of other reductions in expense, if possible, and suggested that conferences be held with representatives of the agents on the factors in which they were interested. He urged that agents and field men be on the aggressive instead of the defensive in meeting competition, emphasizing the features of stock company service and the fact that the outside competition escaped the cost of the making and maintenance of rates and the other essential and costly services by which they profited.

In conclusion President Henne said: "In the light of what I have said on the subject of acquisition costs and the need of unified action it is pointed out that we have no open forum where the fundamentals of our business can be inculcated. Our attention is given exclusively to production, and field men of our companies are too often wholly unadvised of the theory, machinery and organization through which our facilities are furnished. Too frequently it is brought to our attention that the advocates of competing forms of insurance are better informed and more militant in respect of the principles and practices of their business than our representatives are respecting the much broader activities of our own companies. One of the great disadvantages to our business today is the defensive and apologetic attitude of many of our agents and field men on the approach of or in the presence of non-organization competition.

"In the west for many years we had the Association of Fire Underwriters of the Northwest, which has been dormant since 1930. While I do not necessarily suggest revival of that organization or the creation of a new organization of exactly that nature, it may be said that for many years it functioned as a forum for the discussion of questions affecting

western business. There is need for some facility to get to the front lines of our advance not only company thought regarding procedure and practice, but essential information showing what it is that makes the wheels go round in this business."

Meeting Thrown Open

At the conclusion of the general session Tuesday the committee on order of business held a protracted meeting, reviewing the various matters previously referred to it with a view to their submission at the association gathering Wednesday. In the light of the high importance of several problems, the committee invited any who cared to do so to attend its conference and participate in discussions, an invitation accepted by a number of managers.

The Subscribers Actuarial Committee held its meeting in the evening, under the guiding hand of Chairman C. R. Street, and heard the report covering its operations for the past six months, as prepared by J. V. Parker, manager Western Actuarial Bureau.

Minneapolis Annual Meeting

MINNEAPOLIS, Sept. 19.—R. A. Thompson was elected to a three-year term on the board of directors of the Minneapolis Underwriters Association at its annual meeting. A. B. Caswell and A. W. Ingenuh were reelected to three-year terms. The entire membership of the board will name other officers at a later date. The meeting had as the guest of honor Commissioner Brown.

Special Agent Wickham Wed

E. G. Wickham, son of C. E. Wickham, manager New York City office American of Newark group, married Miss Doris Hooper. He is special agent in Eastern Pennsylvania, with headquarters in Harrisburg, where the young couple will live.

Calls All Insurance to Fight Inimical Legislation

SAN FRANCISCO, Sept. 19.—A call for cooperative action by all classes of insurance in combating inimical legislation, with especial reference to government measures affecting industry, was made by F. V. Keesling, president American Life Convention at a luncheon meeting sponsored by the San Francisco General Agents & Managers Division of the San Francisco Life Underwriters Association. The conference was attended by presidents of local fire and casualty companies and representatives of the California Association of Insurance Agents. C. W. Fellows, president Associated insurance companies, represented the home casualty companies and F. N. Belgrano, president Pacific National Fire, the home fire companies.

H. R. Schroeter, past president California Association of Insurance Agents; O. J. Lacy, president California-Western States Life, and Victor Etienne Jr., president West Coast Life, attended in addition to the company managers and general agents, and other local company officials. T. R. Ryan, assistant secretary Fireman's Fund group represented that organization.

Mr. Keesling stressed the importance of contacting candidates for the legislature.

Vermont Agents Program

E. J. Cole of Fall River, Mass., will be the principal speaker at the annual meeting of the Vermont Association of Insurance Agents in Rutland, Sept. 28. In the morning there will be a golf tournament. Other speakers will be Insurance Commissioner Meredith, George Kent of Barre and T. C. Cheney of Morrisville. Stephen C. Dorsey will report as president and A. C. Mason as secretary.

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PERSONAL SIDE OF BUSINESS

W. L. Phelps, assistant manager Fire Insurance Rating Bureau of Wisconsin, Milwaukee, has accomplished one of the goals of every golf player, winning the championship of his golf club, the North Hills Country Club. In the playoff for the championship Mr. Phelps had a medal score for the first eighteen holes of 73, and 77 for the last.

G. O. Russell of Russell, Fairfield & Ellis, Boston agency, was struck by an automobile in Arlington, Mass., but not seriously injured. He was detained over night at the Symmes Arlington hospital for treatment.

Miss Margaret Cowden Harding of Evanston, Ill., daughter of John Cowden Harding, western manager of the Springfield F. & M., will be married on the afternoon of Oct. 3 at the Indian Hill Golf Club in Kenilworth, Ill., to Charles H. Cecil of Chicago. Only members of the family and intimate friends will be guests at the wedding and the reception. Mrs. Elizabeth Harding Starrett will attend her sister as bridesmaid. Mr. and Mrs. Cecil will go to Bermuda for their honeymoon and on their return they will live at Winnetka.

O. E. Schaefer, president of the Westchester Fire, and Mrs. Schaefer have returned from an extended tour in Europe. They motored nearly 2,000 miles on the continent and also visited England.

R. E. James, son of the late Fred S. James, founder of the agency bearing his name, died at his home in Evanston, Ill., after an illness of several months. He was 49 years of age. He had been confined to bed since early in July and had been in bad health since February.

He started with Fred S. James & Co. in Chicago as a young man in a clerical capacity and later acquired an interest in the firm. He remained until Jan. 1, 1925, when he left to organize an agency of his own under the title of R. E. James & Co., his partners being W. M. Murray and A. N. Jens. In 1928 Mr. Murray and Mr. Jens organized their own agency and in 1930 Mr. James discontinued his class 1 representation and became a broker attached to the office of R. I. Read. About a month ago, announcement was made that he had returned to Fred S. James & Co. as a broker, his business being handled for him by his son, Frederick James, who has been connected with F. S. James & Co. for some time.

Two brothers are in the insurance business, they being Whitney E. James of Pasadena, Cal., and Louis N. James of New York.

John B. Robertson, local agent of Twin Falls, Ida., the youngest member in the Idaho legislature, is the Democratic candidate for Congress from his district.

A. J. Hunthausen, secretary of the Charles L. Crane Agency Company, St. Louis, Mo., was married there to Miss A. V. Donohue.

Playing the "Good Samaritan" cost Frank D. Epps of Epps-Epps Company, Richmond, Va., a pair of broken glasses and a beating. Finding a drunk parked in his car the other night on the street, he decided to drive the man home, but before he arrived there his unwelcome guest turned on him, broke his glasses beat him about the face and attempted to drive off after throwing him out of the car. Mr. Epps called the police and the man was fined \$50 in police court the next day.

F. R. Robinson, Los Angeles special agent of the Northern of New York, qualified for the "hole-in-one" club while he was playing a foursome on the

grounds of the Westwood Country Club near Los Angeles. In addition to Mr. Robinson the foursome included F. J. Hagan of the Firemen's group, James Roth of the Commercial Union and J. L. Bigler of the New York Underwriters.

John ("Deacon") Hanna, one of the leading local agents of Galveston, Tex., celebrated his 75th birthday with a blow-out at his fishing camp on Offatt's Bayou. Fred M. Burton of Galveston was away on business but he put things aside and rushed home to be at the birthday celebration of the "Deacon."

Z. C. Swain, 58, former chief deputy insurance commissioner of Indiana, died at his home at Middletown, Ind. He was appointed chief deputy in the insurance department in 1927 and served for several years.

F. B. McBride, manager of the Atlantic marine department of the Fireman's Fund in New York City, was a visitor in Chicago, conferring with Manager E. D. Lawson of the company's western marine department.

The dinner of the New York City Blue Goose in Newark was a testimonial to the popularity of S. A. Mehorter, past most loyal gander of the New York City pond and now most loyal grand gander. The affair was arranged largely by Clarence Axman, editor "Eastern Underwriter" and most loyal gander of the New York City pond.

Among the 200 or more members of the organization and guests in attendance were: P. L. Haid, president, and J. D. Erskine, secretary, Insurance Executives Association; W. E. Mallalieu, general manager National Board; Sumner Rhoades, manager Eastern Underwriters Association; G. W. Lilly, manager, and W. E. Hill, assistant manager, Fire Companies Adjustment Bureau; W. H. Bennett, secretary National Association of Insurance Agents; C. A. Gough, deputy commissioner of New Jersey; Leon Watson, official state rater; H. P. Jackson, president Bankers Indemnity; Paul B. Sommers and L. E. Falls, vice-presidents, and Fred Hoadley, secretary, American of Newark; Archibald Kemp, vice-president Firemen's; Harry Austin, general manager American Foreign Insurance Association; C. S. Stults, president, and W. G. Hurtzig, past president New Jersey Association of Underwriters, and J. W. Henry, president Pennsylvania Association of Insurance Agents.

The Home, with which company Mr. Mehorter has been connected for several years and of which he was recently appointed supervisor in its eastern department, was represented by President Wilfred Kurth, Vice-President H. V. Smith, Secretary A. C. Baillie and some 70 or more junior officials, field and office employees, 20 of the latter coming from Philadelphia for the occasion.

Brief addresses highly complimentary to the honor guest was made by Mr. Kurth, Mr. Gough and others. Twenty-two new members joined the pond.

To Simplify Master Form

NEW YORK, Sept. 19.—Companies have been requested by J. H. Doyle, general counsel of the National Board, to refrain from signing the master form of agreement prepared by F. J. Niemann, manager of the insurance division of the Federal Land Bank, until such time as a simplified form of agreement can be devised. Mr. Doyle is now working on this following a conference with the authorities in Washington. The governmental agencies concerned are the Federal Land Bank, Federal Farm Mortgage Corporation and the Land Bank Commission.

Work of the Organized Agents

THIS is an important week for the organized local agents of the country. The NATIONAL ASSOCIATION OF INSURANCE AGENTS is holding its annual convention in Grand Rapids. This body started in 1896. During the intervening years it has met with many rebuffs, it has had before it problems of all sorts, it has had opposition and at times abuse has been heaped on its leaders. Nevertheless, the NATIONAL ASSOCIATION OF INSURANCE AGENTS has been and is one of the great constructive forces working always toward proper insurance practices.

As an organization it is far closer to the insurance buyers of the country than any other. Its members contact continually with the people. They appreciate the insurance needs. Their voice, in our opinion, is most important but seldom listened to. We find too often that company organizations will decide on some policy or change without regard to the probable public effect which they could easily have learned by consulting with the agents. The salesmanship side of any business is tremendously important.

The organized agents have lifted their voices from time to time and given expression to the principles that should be observed.

As far as we can recall, the NATIONAL ASSOCIATION OF INSURANCE AGENTS has never asked for anything that it did not deserve. It has kept within its own bounds and has only sought the preservation and maintenance of the sovereign rights of its members.

During the year just closed it has had as its leader, ALLAN I. WOLFF of Chicago, a man who has grown in stature as he has continued in office. He has had the respect and esteem of the members. He has expressed his opinions freely and honestly. He has not tried to dodge any issue. He has kept an open mind on all questions that came before him. He has contributed much to the organization and to the cause of insurance. He lays down the reins this week with the knowledge that he has achieved much and he carries with him the good wishes of all who have come in contact with his activities.

Agents as Masters in Their Work

ALLAN I. WOLFF of Chicago, in his capacity as president of the NATIONAL ASSOCIATION OF INSURANCE AGENTS, made some pertinent observations at the Pennsylvania local agents' meeting which can well be taken to heart by all salesmen of insurance. Mr. WOLFF rightly said that with insurance becoming more complex and greater in extent, with keener discrimination being used by insurance buyers, local agents must equip themselves more efficiently to meet the changing demands. Many agents rely too much on help from their companies. They do not get into the very heart of the insurance contracts and master the various types of coverage and understand how to adapt them to the needs of assureds.

The trouble is that as we get along in business life we are content to drift and we do not use our mental faculties as students. We should never cease to be students. Every agent should be such a master of his own work that when he talks to an assured he will be recognized

at once as one who can speak with authority and expert knowledge. The great bulk of insurance in this country is written through agents. If they are to maintain their position in the insurance world, then they must give value received for the commission they are paid. That is, agency service in order not to be a mere trite name must really be something of real value to premium payers. The agent should be regarded as the insurance counselor of his assured. He should be able to give his policyholders all the insurance knowledge that they need. Mr. WOLFF stated that it is incumbent on agents to become specialists in their calling.

THE conscientious agent is always disappointed when he does not attain the goal to which he aspires. The man who is not conscientious is indifferent as to the results. The conscientious man is always doing his level best and desires to fulfil all expectations.

Just Released!

TO HELP combat the increasing menace of automobile accidents, the Ætna has had prepared a thought-provoking motion picture entitled:

"SAVING SECONDS"

¶The purpose of this film is to prove the folly of attempting to save seconds at the risk of lives. The principal causes of highway accidents are graphically illustrated and clearly explained.

¶Such charts as are used are interestingly "animated" and several of the wreck scenes are breath-taking "shots". All in all "Saving Seconds" is an unusually powerful argument for more careful driving.

**Both Silent and Sound Versions Now Available
For Showing in Theaters, Schools, Churches,
Hotels, Halls and Civic Auditoriums.**

It is hoped that this film will be given widespread distribution and, to that end, the interest of School Boards, Legion Posts, Local Safety Councils and other organizations wishing to promote highway safety is cordially invited.

Information From Local Ætna Representatives

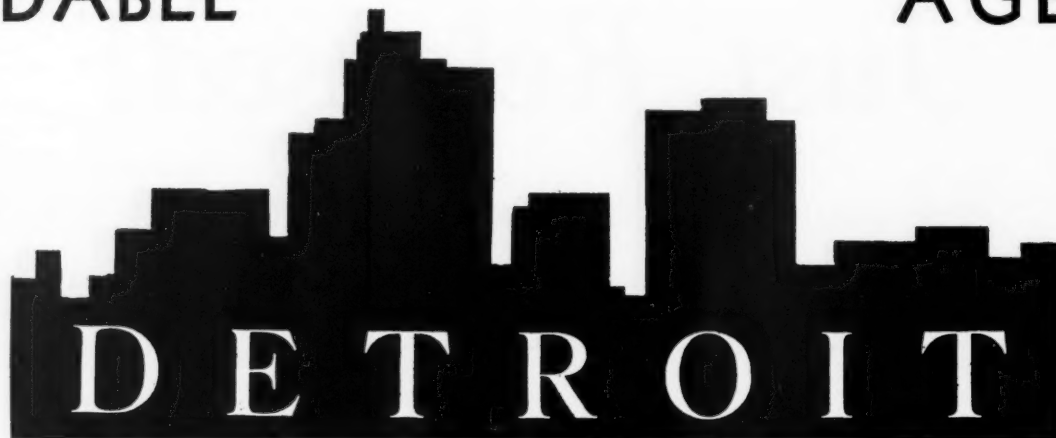


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AGENCIES

The Agencies listed here are reliable, dependable firms which exist to serve your every need. They are at all times at your service—to fill your every need is their pleasure.

Lanphar Agency, Inc.

GENERAL INSURANCE

1010 Lafayette Building
Detroit, Mich.
Cadillac 0466
Representing Only the Strongest
Stock Companies

CHAS. L. RAYMOND

H. E. RAYMOND

Raymond & Raymond

GENERAL
INSURANCE
AND
Surety Bonds
1044 Free Press Bldg.
DETROIT

The Maxwell Underwriters, Inc.

FIRE
LIABILITY
AUTOMOBILE
COMPENSATION
LIFE
ACCIDENT
BURGLARY
SURETY BONDS

2022 Union Guardian Building
DETROIT

KING & RAMSAY

State Agents
Western Casualty & Surety Co.
Western Fire Ins. Co.
AGENCY INQUIRIES INVITED
922 Transportation Building
Randolph 0377
DETROIT, MICH.

Metropolitan Agency Inc.

MARY LEAHY
INSURANCE IN ALL ITS BRANCHES
1261 First National Bank Bldg. Phone Cherry 4168

PARKER and DAVIS INS. AGENCY

GENERAL AGENTS

Continental Casualty Co. Continental Assurance Co.
Detroit Savings Bank Building Phone Randolph 4417

KELLY-HALLA-PEACOCK, INC.

INSURANCE

BUHL BUILDING
DETROIT, MICH.

George W. Carter

L. J. Lepper

Henry L. Newnan

Detroit Insurance Agency

Insurance Advisors, Counselors and Safety Engineers

FISHER BUILDING

TRINITY 2-3300

Michigan Agents Hold Annual Session

Carter Recounts the Achievements

Detroit Agent Tells About Some Recent Concessions by Companies

PROGRESS HAS BEEN MADE

Announces Some Important Changes in Michigan on Workmen's Compensation Insurance Practices

GRAND RAPIDS, MICH., Sept. 19. —At the annual meeting of the Michigan Association of Insurance Agents George W. Carter, national councillor, gave some important information. He said that up to three months ago it seemed impossible to secure cooperation from companies and they turned a deaf ear to agency requests. For instance he had asked the subscribers actuarial committee to approve the provisional form of insurance similar to that adopted by the Pacific Board, covering merchandise and fixtures on a reporting basis. The committee turned this down but later approved it and it has now been filed officially in the state.

He said that the agents did not get all that they asked in a revision of the windstorm contract but they did get the inclusion of hail coverage without additional charge. Michigan was visited with a violent windstorm early in August which caused much damage.

Excoriated Companies on Vacancy Permit

Mr. Carter excoriated the companies for not retracing their steps and eliminating charge for vacancy permit. He said that this practice was vicious and unjustified. He said that an agent cannot with any conscience sell it. The result is, he said, that hardly anyone collects for the permit. He hopes the companies will see the light of day and take it off.

Mr. Carter said that the agents had tried to get smudge coverage for residences and contents, due to any cause given without charge but so far had not been successful. He said that the present plan for bridging the gap between

New Officers Elected

PRESIDENT

J. Alfred Grow, Detroit

VICE-PRESIDENT

Joseph W. Mundus, Ann Arbor

EXECUTIVE SECRETARY

George Brown, Detroit

TREASURER

J. M. Crosby, Jr., Grand Rapids

NATIONAL COUNCILLOR

George W. Carter, Detroit

GOVERNING COMMITTEE

The officers and Martin Mullally, Muskegon; A. W. Van Auken, Saginaw; J. P. Old, Sault Ste. Marie; Phil Braun, Flint; W. G. McCune, Petoskey

windstorm and fire loss is not entirely effective. He announced that a brief is being prepared to present to the companies and he believes that the present practice will be revised so that there will be no gap.

Mr. Carter stated that the agents emphatically objected to rating bureaus contacting direct with an assured on rates and underwriting practices, thus discrediting the agents and weakening their position. This practice, he said, is an indirect statement to the effect that the agent really has no voice in the matter. The Western Underwriters Association, he said, has passed a recent resolution that prohibits any such contact without the agent accompanying the bureau man except in a limited number of instances.

At the national councillors meeting Mr. Carter cited a recent decision where a policy was dated Sept. 10 and countersigned Sept. 22 by mistake. The fire occurred Sept. 12 the following year. The court held that the policy legally expired Sept. 22. He therefore warned the agents to be careful to see that the issuing and countersigning dates coincided.

Mr. Carter made an important announcement regarding a new ruling as to workmen's compensation rates in Michigan. The National Council will establish a branch office in Detroit Oct. 1. In due season it will inspect all the risks in the state. Heretofore companies had made equity and judgment rates, thus departing from the manual. The

Clyde Smith in Tribute to Memory of Goodwin

Clyde B. Smith of Lansing, past president of the National Association of Insurance Agents, presented a tribute to the memory of the late Percy H. Goodwin of San Diego at the meeting of the Michigan agents. He said:

"To the memory of Percy H. Goodwin, a man exceedingly wise, fair spoken, and one who inspired new ideals. He was a loyal friend whose delightful personality was a delight to those who knew him."

"He was eloquent without being declamatory, he was a genuine human being and the business of insurance has been better because of him."

"We will always recall his memory with admiration and affection."

department has called attention to the fact that the companies have been complaining of the big deficit and loss in compensation business, and yet writing at less than manual. A meeting was held in Detroit last week attended by officials of stock and mutual companies, reciprocals and the state fund. The department has ruled that hereafter all carriers of whatever complexion must write compensation at the regular manual rates. All must use the same experience plan of rating.

Grow Is New Head of Michigan Body

Annual Meeting Was Curtain Raiser to the National Convention

McCUNE OCCUPIES CHAIR

Kenneth H. Bair Explains the New Service Office Plan at Washington to Agents

By HOWARD J. BURRIDGE

GRAND RAPIDS, MICH., Sept. 19. —The Michigan Association of Insurance Agents held its annual meeting in this city Tuesday, it being in the nature of a curtain raiser to the big convention of the National Association of Insurance Agents. Therefore the proceedings were considerably curtailed, occupying about an hour and a half. J. Alfred Grow, vice-president and treasurer of Homer Warren & Co. of Detroit, was chosen as the new president. He has had 28 years of experience. His connection began in 1906 at the time of his father's death. His father for some 23 years was an agent of the Michigan F. & M. and prior to that represented the Ohio Farmers. When J. Alfred Grow started in insurance he still had a year to go in high school. He completed the course. Continuing his office and sales work he fitted himself for a place on the Homer Warren & Co. staff 20 years ago. The firm was established in 1884. The agency is owned by four active partners who manage the business, each having charge of a separate division.

W. G. McCune Presided Over the Gathering

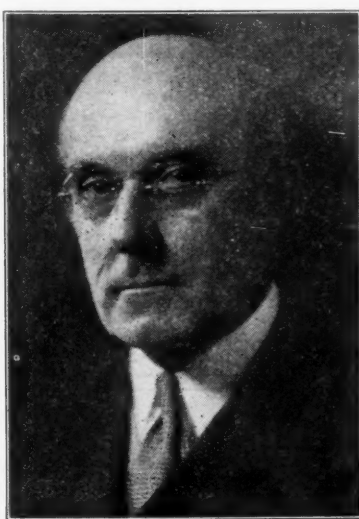
W. G. McCune of Petoskey presided over the meeting, he being the president. He stated that his administration had had a quiet year. There had been no legislation. He found a fine spirit of cooperation and said the Michigan association was comprised of a splendid body of men. It now has 361 members.

Kenneth H. Bair of Greensburg, Pa., a member of the national executive com-

(CONTINUED ON PAGE 37)



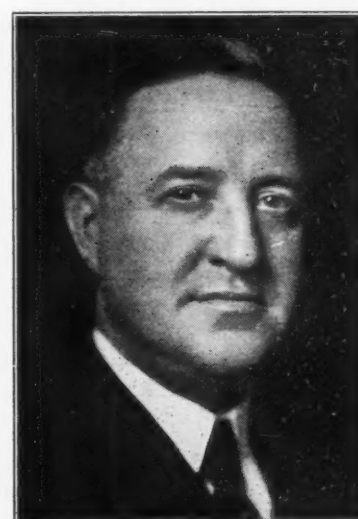
J. ALFRED GROW
Elected President



W. G. McCUNE
Retiring President



GEORGE BROWN
Secretary



GEORGE W. CARTER
National Councillor

Ask our agents about Our Service

Preferred shows increased
business and as in every
year an underwriting profit.

We have need for repre-
sentatives in many Mich-
igan towns.

The
Preferred Automobile Insurance Co.
Grand Rapids, Mich.

A. J. Holstein General Agency

General Agent

GRANITE STATE FIRE INSURANCE CO.

No Direct Writing
We Do Not Compete with Agents

1653 Union Guardian Bldg.

DETROIT, MICH.

SAGINAW AGENTS

BRADY, JUDD & CO.

SAGINAW, MICHIGAN

J. D. & D. W. Draper, Inc.

Saginaw, Michigan

FRANK MARXER
President

D. H. NELSON
Sec. & Treas.

MARXER, NELSON AND DUFF
INCORPORATED
SAGINAW, MICH.

Comendatory Resolutions Adopted

The following resolutions were adopted by the Michigan Association of Insurance Agents:

"Whereas, the Commodity Credit Corporation has under consideration the advisability of changing its policy as to placements of insurance on collateral commodities and to arrange for its distribution among the agents who have handled it continuously until the CCC placed it otherwise.

"Be it resolved that the Michigan Association of Insurance Agents, representing the leading and influential agents of Michigan, although having no direct interest in insurance on corn and cotton, submits that justice to the agents and companies concerned and to the principles of national recovery, demands the placing of this insurance with the southern agents so vitally concerned."

* * *

"Whereas, the fundamental factor in national recovery is the widest possible distribution and circulation of currency, and whereas many millions of dollars are exchanged in the writing of fire and windstorm insurance on the homes of the wage and salary earners of the country, and whereas the pre-

miums on such insurance constitute a very considerable portion of agency and company premium income,

"Resolved, That the commendation and appreciation of the Michigan Association of Insurance Agents, which includes in its membership the leading and influential agents of Michigan, be conveyed by its executive secretary to the officers of the Home Owners Loan Corporation for their recognition and maintenance of agency and company interest in such insurance business."

* * *

"Whereas, Governor W. A. Comstock is to be complimented and congratulated on his appointment of C. E. Gauss as the commissioner of insurance of Michigan, he and his associates are to be highly commended for their most able and constructive administration.

"Resolved, the Michigan Association of Insurance Agents pledges to them their continued loyal and aggressive support and asks for their continued efforts to the end that the insurance buying public of the state of Michigan may be benefited and their confidence in insurance increased through most careful scrutiny of agency appointments."

Clyde Smith Urges Support Of Agency Qualification

Clyde B. Smith of Lansing, chairman legislative committee, stated that active Democratic and Republican candidates had been nominated for all offices in Michigan. He urged the members to contact all candidates to be sure that they will play fair with insurance, and especially the agents. He said that the association should urge the passage of an agents' qualification law. This could have been brought about at the last legislature but a new insurance commissioner had been appointed and being unacquainted with the necessities he would not approve the bill. He said the department is now cooperating and would get back of such a measure.

Notes of Michigan Meeting

Joseph Mundus of Ann Arbor proposed the vote of thanks to the retiring president, W. G. McCune. Phil Braun presented the resolution of thanks to the Grand Rapids Board for its splendid entertainment.

* * *

The nominating committee consisted of G. Earle McVoy, Grand Rapids; Lee A. Dudley, Battle Creek, and J. P. Old, Sault Ste. Marie. The resolutions committee was composed of Phil Braun, Flint; Claude Palmer, Jackson and Robert Bridge, Charlevoix.

* * *

Clyde B. Smith presented the Percy H. Goodwin memorial. Charles L. Freese of Detroit prepared the James L. Case memorial which was read by Secretary George Brown.

May Hold the 1935 Annual Michigan Meet in Petoskey

It has been the custom of the Michigan Association of Insurance Agents to hold its annual meeting in the home city of the president. This year by right the meeting should have been held in Petoskey, but as the national convention was scheduled for Grand Rapids the Michigan people went to that city. Fred L. Winter of Muskegon, past president, stated that next year therefore the annual meeting should be held in Petoskey, the home of the retiring president, W. G. McCune. Undoubtedly this will be done.

The retiring president, W. G. McCune of Petoskey was presented with a set of golf sticks and bag, the address being given by Secretary George Brown.

D. F. Broderick
Pres.

C. M. Verbiest
V. P. Secy.

L. G. Goodrich
V. P. Treas.

D. F. BRODERICK
INCORPORATED

INSURANCE EXCLUSIVELY

DETROIT
CHICAGO

NEW YORK
SAN FRANCISCO

COMPLIMENTS OF
FLINT ASSOCIATION
OF INSURANCE AGENTS

CLYDE B. SMITH
Insurance

Lansing, Michigan

Association Is in Flourishing State

Secretary George Brown Reports
Increase of 111 in Membership

FINANCES IMPROVED

Proposal to Reduce Minimum Dues to
\$10 Payable in Quarterly Installments Is Condemned

George Brown of Detroit, executive secretary of the Michigan Association of Insurance Agents, was able to do considerable strutting in his report at the annual meeting of that organization in Grand Rapids. The figures speak for themselves.

On Sept. 1 of last year membership in the Michigan association totaled 250. During the year there was an increase of 111, bringing a total to 361. The quota assigned to Michigan by national headquarters was 323. Therefore the quota was exceeded by 38.

Financially, Mr. Brown said, the association did equally well. The year was closed with a balance of \$1,239 of which \$261 was still in "the refrigerator." This is compared with the condition of last year, when there was a balance of \$790, of which \$313 was tied up in the First National Bank. In other words the liquid 1933 balance was \$476 while this year it was \$977, more than double.

Explains Reasons for the Improved Condition

Mr. Brown explained that the improvement in the finances has been due to the increased membership and drastic economies. There was a reduction in activity such as officers' meetings, regional meetings and membership campaign expense.

Receipts from dues during the year were \$5,232 and the annual meeting last year at St. Joseph produced \$171. Total expenditures were \$4,964.

Mr. Brown referred to the proposal that minimum dues be reduced to \$10 and that members be permitted to pay in quarterly installments. Anticipating that this recommendation might be made, Mr. Brown sent a questionnaire to the secretaries of the various other state associations. He received a reply from 40 states and Hawaii.

In California, Michigan, Oregon, Pennsylvania, Iowa and Wyoming minimum dues are \$15. In Colorado, the minimum is \$7.20, in Maine \$7.50 and in Washington \$12.50. All others, he reported, operate on the \$10 and up basis. Most of the secretaries reported that they were greatly restricted in their operations because of the \$10 minimum. Therefore Mr. Brown concluded that instead of reducing the minimum, it should be raised to \$20. Associations in the major states, he contended, cannot function effectively on less than \$10 a year. Michigan spent only \$5,000 last year and "just about managed to mark time."

G. W. Carter of Detroit and J. M. Crosby, Jr., of Grand Rapids, escorted the new president, J. A. Grow, to the platform.

Desire of Agents Is to Be a Part of Upward Trend

The theme of this convention was "The Road to Recovery." In the foreword, the program said:

"The long hill that leads up the road to recovery is littered with obstacles, each one of which must be overcome, removed, circumvented or crushed. Any other course would be sheer madness and the destination would never be reached. To falter or turn back down the hill would be to confess abject defeat. The course lies upward though the way be long.

Groundwork for Improvement Is Laid and Patience Needed

"Not even the greatest of optimists could have expected that the transition from economic chaos to an orderly conduct of daily affairs would be accomplished in a few weeks or months. Business habits of long years cannot be supplanted magically overnight by practices designed to cure their defects. Every new plan is an experiment and must be worked out in detail and proceeded with cautiously. If impractical, abandonment is its lot. If effective, the groundwork for improvement has been laid and industry and patience must go hand in hand.

"The insurance business is not a thing apart. Rather its threads are woven into every fabric of human existence on the land, on the sea and in the air. For that reason it has shared the fate of every line of business activity and watched individual branches of industry go forward with improved conditions while it remained to stand guard over other interests still in the throes of despair and bewilderment. It has sacrificed its own advancement to throw the mantle of protection over the unfortunate and the depressed.

Agents Wish to Be a Part of Upward Trend

"Agents have shared with their companies the results of this course. They have no complaint to make on that score. In times of crisis, whether earthquake or great fire, insurance has been looked to for aid and it has never failed to respond, whatever the cost. The past four years cannot adequately be described otherwise than as a crisis. That crisis is passing, albeit slowly, and there are signs of better things ahead. As agents have suffered in the lean years, so they wish to be a part of the upward trend. Anything else would be less than justice. Anything more, they do not ask.

"With the return of confidence to a harassed people, new problems have arisen, new systems have been evolved, new ideas have been advanced. Each of these must be studied and a course shaped to deal with it. The agents are not opposed to innovations. They do insist, however, that where their interests are involved, those interests shall be protected. The goal is a harmonious solution of the multiple problems that line both sides of the road to recovery, with fairness to all. It is not a one-way street."

The nominating committee neglected to suggest a name for national councillor. This caused later in the proceedings a hurried conference of Chairman G. E. McVoy with the officers with the result that G. W. Carter of Detroit, the present councillor, was put on the list.

WELCOME TO GRAND RAPIDS

National Association
of Insurance Agents

and

Michigan Association
of Insurance Agents

A Local Board City

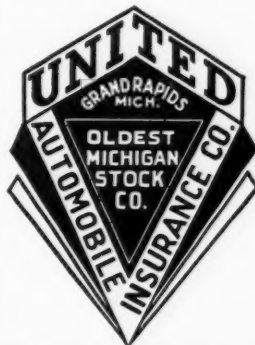
GRAND RAPIDS ASSOCIATION
OF INSURANCE AGENTS

*Agency membership 100% co-extensive with Michigan
and National Associations.*

UNITED Agents Prosper with automobile insurance - - - because

Selling is made easy
Liberal, attractive policy
Efficient sales equipment furnished
Company well rated
Maximum capacity requirements available
Claims adjusted quickly, generously
Agents' authority is backed up
Rates are reasonable, attractive
Payment plan without carrying charge
Conveniently located for quick service

*Ask About Your
Home Territory*



UNITED
AUTOMOBILE INSURANCE CO.
Ass'n Commerce Bldg. Grand Rapids

A. P. THEOPHILE
Manager

CENTRAL ADJUSTING CO.
GRAND RAPIDS, MICH.

Representing Only Stock Insurance Companies

Peoples National Bank Bldg.
Phone 9-4196

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

New Ohio Handbook Is Ready

Volume Published by National Underwriter Provides Most Comprehensive Insurance Information About State

The Underwriters Handbook of Ohio, which has just come from the press of THE NATIONAL UNDERWRITER presents some very interesting facts regarding the insurance business in that state. The company directory department, which lists the companies operating in the state with financial statements, lists of officers and field men, shows that there are 744 companies operating in Ohio. This compares with 764 in 1933. There are 252 stock fire, 95 mutual fire, 16 reciprocals, 102 stock casualty, 35 mutual casualty, one casualty reciprocal, 128 life companies and 115 fraternal.

The "Record of Insurance in Ohio" gives fire and life insurance for six years, and casualty insurance classified for two years.

In 1933, it shows, the stock fire companies collected \$25,482,998 and paid out \$9,791,415 which compares with \$26,683,518 and \$14,088,035 in the previous year. The mutual fire companies collected \$3,615,589 and paid out \$998,762 which compares with \$5,161,837 and \$2,314,008 in 1932. The reciprocal premiums and losses were \$123,283 and \$38,247 in 1933 and \$138,811 and \$100,923 in 1932. The grand total shows a drop of \$2,762,296 in premiums and \$5,674,543 in losses. In 1928 the premiums in Ohio were \$48,494,038 and the losses \$21,335,959. The casualty companies collected \$32,203,983 and paid out \$16,485,989 last year as compared with \$33,287,337 and \$21,826,794 in 1932. Auto liability led all casualty lines with premiums of \$9,938,931.

Apparently little, if any, progress has been made in the state on the separation movement. A review of the agency representation as given in this new edition shows about the same number of mixed agencies as heretofore. The "Agency Department" shows the complete list of agencies in the state, arranged by towns with the companies which they represent, members of the firm, date established, address and other business in which the agency may be engaged.

Other information contained in the Ohio Handbook includes lists of organizations with official lineup, adjusters, attorneys, and field men. The book covers Ohio insurance-wise very thoroughly and is the recognized reference book on insurance in the state. It is valuable to agents, companies and field men and is constantly used.

Can't Stop Advertising By Non-Admitted Companies

Newspapers which carry advertisements of unlicensed insurance companies cannot be regarded as agents of those companies and no action may be taken against them for soliciting insurance without license. Insurance Director Palmer of Illinois has been informed by the attorney-general.

The opinion points out that an advertisement in a newspaper cannot be construed as an agency wherein the newspaper is the agent of the advertiser. To enforce the penalty provision of the law it will be necessary to prove that the newspaper wrote policies, settled claims and solicited insurance.

George Day of Blooming Prairie, Minn., has bought the Peterson Agency, which has been operating there for 30 years.

Ohio Program Is Completed

Full Schedule Announced for Annual Meeting of Agents of State in Columbus Next Week

COLUMBUS, Sept. 19.—The program for the annual meeting of the Ohio Association of Insurance Agents, to be held here the first three days of next week, has been completed. Sessions will be held at the Deshler-Wallick Hotel and will open with a dinner meeting of the board of trustees Monday evening. The convention will be formally opened Tuesday morning by Vice-president F. P. O'Connor of Lima. He will introduce President H. L. Meek of Columbus, who will name the convention committees. Mayor H. W. Worley will give the address of welcome and H. S. Martin, trustee, Toledo, will respond. Mr. Meek will deliver his annual address, reports will be received and then Theodore Tangemann, state director of commerce, will speak. A get-together dinner will be held in the evening, with W. H. Bennett, secretary of the National Association of Insurance Agents, as speaker and Jules Brazil, New York, in charge of the entertainment.

Practical Talks on Program

Wednesday morning there will be a breakfast for secretaries of local boards, with N. W. Reed of Toledo presiding. An open forum will follow. Addresses at the regular session will be: "Assaults on the Ohio Agency Law," by B. W. Gearheart, counsel for the Ohio association; "Agency Accounting," W. D. Wall, Columbus, certified public accountant. In the afternoon, James C. O'Connor, Jr., editor of the Fire, Casualty & Surety Bulletins, published by THE NATIONAL UNDERWRITER, will speak on "Building Business by Knowledge," Mr. Bennett will give another talk and Superintendent C. T. Warner will speak and officers will be elected, followed by a meeting of the trustees.

Mrs. H. L. Meek is chairman of the committee in charge of the arrangements for the entertainment of the ladies. These will include luncheons, bridge parties, etc.

Cincinnati Board to Keep Abreast of New Features

The Cincinnati Fire Underwriters Association has started a new feature in connection with its regular monthly meetings which calls for one of the members to discuss in detail each month new developments in the business. As new contracts, forms or rules come up one of the members who is well acquainted with the subject will explain the question and lead a discussion on the subject. An educational campaign is also being started for the solicitors and four times a year meetings will be held for them at which the important phases of the business will be brought up.

Last week the association held its first meeting in its new quarters in the Carew Tower, where a large meeting room is available for the purpose. A large crowd was present and a picture was taken.

Three new members have been added: Harry Presslar and H. O. Roth, both of whom recently opened local agencies, and the Eureka-Security Insurance Agency, which took over the business of the Cincinnati Underwriters Agency Company.

This week a delegation of the asso-

Leads Discussion



CHAUNCEY O. RANSOM

C. O. Ransom, president of the Cleveland Insurance Board, led in the discussion of Hendon Chubb's address before the National Association of Insurance Agents convention in Grand Rapids this week. Mr. Chubb discussed the history and development of marine and inland marine insurance. Mr. Ransom is not only active in his local board but in the Ohio Association of Insurance Agents. He is national councillor from his state.

ciation, including Joseph Schweer, secretary, and Theodore Safford, president, are in Grand Rapids to attend the National association meeting.

Indiana Agents Are Slow In Returning Questionnaire

INDIANAPOLIS, Sept. 19.—Out of 12,000 agents addressed, only about 800 have responded to the questionnaire sent out by the Indiana department three weeks ago. As Oct. 15 is the deadline for return of the requested information, the returns thus far received have been about what might be expected, in the opinion of the department, inasmuch as the information has to be vouched for by a company special agent. Not many of the larger agencies have been heard from. Some agencies object to giving their premium receipts by years for the past five years, charging that the information might be used by the state income tax department. This, the department says, is a groundless apprehension.

Most of the returns received are incomplete. They are not being returned for correction, however, and the agent who has not satisfied the department with his report may not know it until some months later when he applies for a license for the company and is denied. Commissioner McClain takes the positive position that the agency which does not give the information will not be licensed.

Grand Jury Raps Political Angle in County Insurance

MINNEAPOLIS, Sept. 19.—Too much politics in county insurance was charged in a report by the Hennepin county grand jury, recommending that insurance on public buildings be revised. The report recommended that eventually the city and county governments arrange to carry their own insurance.

It was recommended that the city and

county assessors place a value on all public buildings in assessment years; that no insurance be carried on fireproof buildings; that no buildings or contents be insured for more than 20 percent of the values established by the assessors; that no tornado insurance be carried; that insurance be removed from politics, with no officeholders permitted to profit from such insurance, and that pending arrangements to carry their own risks the city and county should have all insurance written on a five-year basis.

"For many years," the report said, "criticism has often been made relative to the amount of fire and tornado insurance carried on our public buildings. Often rumors have been heard that men in public office profited by insurance written on public property. A committee from our membership was therefore appointed to investigate the insurance situation.

"Their findings have been analyzed and a good many irregularities found, especially in the amounts of insurance carried. Some of our public buildings, like the city hall and courthouse, are not insured at all. Other departments are insured for several times their full value."

A number of specific instances of both under-insurance and over-insurance are listed.

Protest Milwaukee Charge For Sprinkler Connections

MILWAUKEE, Sept. 19.—Appearing at a hearing conducted by the Wisconsin public service commission, Oscar Hoffman, secretary of the Milwaukee Sprinkler Owners Association, protested the charge by the municipal water department for connections to sprinkler systems in industrial and commercial buildings. He pointed out that the sprinklers consume no water except in case of fire and serve as automatic fire departments to the advantage of the city in case of fire. In the last year, he said, many fires were extinguished by sprinkler systems before the fire department reached the scene. The charge to building owners is from \$25 to \$300 annually, depending on the size of the pipe connecting the sprinkler system with the water main. Mr. Hoffman termed it excessive and asked that it be eliminated or at least reduced within reason.

Among the witnesses to appear at the hearing were several local agents and representatives of fire companies and the rating bureau, who emphasized the general advantages of automatic sprinkler systems in affording protection and reducing fire losses. It was brought out that some sprinkler installations have been held up because of the excessive charges by the water department for the service connections.

Many Ohio Agency Changes

Many changes have taken place in Ohio local agencies in recent months. At Woodsfield, G. J. Ludwig has purchased the interest of his partner in Ludwig & Roth. Following the death of Percy Doddridge of Manchester, the agency was sold to Robert Rousch. The interest of W. W. Robbins in the agency of Nichols and Robbins, Lorain, has been sold to H. K. Nichols. W. S. Mitchell died recently at Barberton and his agency was sold to W. E. Diehm. The agency of Buckio & Son at Woodsfield has been sold to J. W. Schumacher.

Florian & Co. of Toledo has changed its name to the Florian-Laux Company. Grant A. Smith, owner of the J. W. Riley & Co. agency at Wellsville, has changed its name to the Grant A. Smith Insurance Agency. The Brown County Insurance Agency at Georgetown has been sold to W. W. Warner. The F. A. Sosman agency at Chillicothe, following the death of Mr. Sosman, was

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78

(Securities at Market Value)

Organized 1853

THE GIRARD

FIRE & MARINE INSURANCE CO.

Surplus to Policyholders Dec. 31, 1933

\$2,380,826.52

Securities at Market Value

82 YEARS IN BUSINESS

Organized 1854

THE MECHANICS

INSURANCE COMPANY OF

PHILADELPHIA

Surplus to Policyholders Dec. 31, 1933

\$2,181,651.19

Securities at Market Value

81 YEARS IN BUSINESS

Organized 1866

NATIONAL-BEN FRANKLIN

FIRE INSURANCE CO. OF

PITTSBURGH, PA.

Surplus to Policyholders Dec. 31, 1933

\$2,254,726.35

Securities at Market Value

69 YEARS IN BUSINESS

Organized 1874

THE METROPOLITAN

CASUALTY INSURANCE CO.

OF NEW YORK

Surplus to Policyholders Dec. 31, 1933

\$2,216,188.12

Bonds Amortized—Stocks Market Value

61 YEARS IN BUSINESS

AVERAGE AGE

LOYALTY GROUP COMPANIES

OVER 66 YEARS

GROUP LOSSES PAID

OVER

FOUR HUNDRED MILLION

\$413,592,692.72

A LOSS PAYING RECORD

PROVING SECURITY

AND STABILITY

OUR BUSINESS ASSETS

MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1852

MILWAUKEE MECHANICS'

INSURANCE COMPANY

Surplus to Policyholders Dec. 31, 1933

\$5,021,440.67

Securities at Market Value

83 YEARS IN BUSINESS

Organized 1871

SUPERIOR

FIRE INSURANCE COMPANY

Surplus to Policyholders Dec. 31, 1933

\$1,780,616.49

Securities at Market Value

64 YEARS IN BUSINESS

Organized 1870

THE CONCORDIA

FIRE INSURANCE COMPANY

OF MILWAUKEE

Surplus to Policyholders Dec. 31, 1933

\$2,411,805.55

Securities at Market Value

65 YEARS IN BUSINESS

Organized 1909

COMMERCIAL

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sold to Miss Gertrude C. Allen, who had been with the office for a number of years. At Butler, the D. H. Leedy agency was sold to W. H. Griffith, following Mr. Leedy's death.

Missouri Local Agents Meeting

ST. LOUIS, Sept. 19.—A. L. McCormack, president Missouri Association of Insurance Agents, has announced that the annual meeting will be held at Jefferson City, Oct. 5. Complete details for the program have not been decided on.

Omaha C. of C. Selection

O. G. Wilson, Omaha manager Bankers Life of Iowa, has been appointed chairman of the insurance division of the Omaha chamber of commerce, with H. W. Ahmanson, secretary National American Fire, as vice-chairman.

Want Department Non-Political

The Republican state convention in Nebraska included in its platform a declaration that the millions of dollars invested in life insurance policies and annuities demand that the insurance department be strengthened and that its administration be entirely removed from politics.

Would Raise Commissioner's Pay

FARGO, N. D., Sept. 19.—Pointing out the important duties of the office and the large amount of money passing through it, the executive committee of the Insurance Federation of North Dakota has recommended that the insurance commissioner's salary now \$2,100, be raised to \$4,000.

Eleven of the 12 members of the executive committee attended the meeting in Fargo.

Report on Ludington Inspections

Inspections of 162 risks were made by 45 members of the Michigan Fire Prevention Association in Ludington, of which 128 were found defective, or 78 percent, says Secretary B. F. Bohrer, Camden Fire. In all 371 recommendations were made, of which but 12 percent were complied with at the end of 60 days. Several of the worst hazards discovered were reported to the state fire marshal.

Protest St. Paul Budget Cut

ST. PAUL, Sept. 19.—Claiming that it will reduce St. Paul's fire insurance rating and add greatly to the annual cost of insurance in the city, Chief William Sudeith is protesting a cut in the fire department budget amounting to \$81,000. St. Paul now has a class 4 rating.

Many Michigan Storm Claims

DETROIT, Sept. 19.—Claims for windstorm and lightning losses in Michigan as a result of the heavy storm damage sustained last month are nearing completion. G. H. Harrison, Michigan manager Western Adjustment, says approximately 8,815 claims have been filed, ranging from 35 cents for a single pane of glass to about \$30,000 for the largest claim. The entire property damage loss is conservatively estimated at \$450,000, of which about 45 percent was not covered by insurance.

Since the storm a large increase in tornado business has been reported. Superintendent H. L. Bogue of the Michigan Audit Bureau reports receipt of nearly 400 tornado daily reports in one day from one agency.

No Co-operation in Minneapolis

MINNEAPOLIS, Sept. 19.—Two of the three members of the Minneapolis civil service commission, which conducted hearings on the city's arson squad and differences between it and the state fire marshal's office, in their report charged the squad had failed to cooperate with the state officials. The report was signed by Arne Flikeid, now president of the commission, and E. J. Lee, former president, who recently left the

commission. The two reported there was evidence supporting claims of lack of cooperation between the arson squad and the state department and both declared members of the fire department maintained too close a relationship with public adjusters.

Michigan Agents Win, Lose

In the Michigan primary last week Stanley J. Risk, who operates a large agency at Muskegon, was defeated by the narrow margin of 62 votes in his race for the Democratic congressional nomination.

Representative James M. Wilson, Kal-amazoo, who has been one of the stout defenders of sound insurance in the Michigan house of representatives, was renominated by the Republicans by a narrow margin. He has had a leading part in framing insurance legislation and in pushing it through the legislature during his several terms.

Insure Payment on Milk

MADISON, WIS., Sept. 19.—A group of Wisconsin farmers have formed a mutual to insure farmers payment for milk delivered to a creamery or other plant. Individual farms are expected to seek insurance for \$100 or \$200 per month, or in cooperative groups. Verne Nichols, Walworth, is president, and J. H. Stacey, Palmyra, secretary-treasurer.

Rochester Board Elects

ROCHESTER, MINN., Sept. 19.—A. A. Hirman has been chosen president of the Rochester Insurors Association, to succeed C. O. Brown, who has become chairman of the executive committee of the Minnesota Association of Insurance Agents. Mrs. John Hall was reelected vice-president; J. G. Perry reelected treasurer, and Ruth Bernard, secretary. Carlton Kruse was named on the executive committee.

Agents Good Ticket Salesmen

The members of the Wichita Insurors one day last week put on a great drive for the sale of season football tickets for the University of Wichita, which is a municipal institution. The insurance men formed the nucleus of the selling aggregation and organized the canvass. Some 150 people engaged in the drive, of which 50 percent were insurance men. The objective was to sell 2,000 tickets.

Fewer Licenses in Illinois

As of Sept. 8, the Illinois insurance department issued 67,300 agents and 8,107 brokers licenses. These figures compare with 74,383 agents and 9,987 brokers licenses a year ago. Licenses by classes were:

	1934	1933
Stock and foreign fire...	29,894	31,976
Life	20,300	25,210
Stock and mutual casualty and surety	13,050	12,960
Mutual fire	1,200	1,350
Mutual benefit societies...	250	270
Burial societies	192	200
Reciprocity	1,650	1,500
Lloyds	114	117
Assessments	650 ^a	800
	67,300	74,383

Pioneer Equitable in Illinois

The Pioneer Equitable of Indianapolis, which entered Illinois recently, is building up an agency plant. It writes only protected risks and the bulk of its business is on public buildings, churches and mercantiles, with no special hazards. It writes at deviation rates based on insurance to value. In addition to Illinois and Indiana it operates in Michigan, Minnesota and Missouri.

Brown Sioux City President

SIOUX CITY, IA., Sept. 19.—At the first fall meeting of the Fire & Casualty Underwriters new officers were elected. Ross P. Brown, secretary for the past year, was chosen president; Franklin Britton, vice-president, and R. S. Andrews, secretary-treasurer. On the executive committee are the retiring presi-

dent, A. M. Davis, J. Watt Wooldridge, Fred W. Colvin and the new president. The past year was signalized by two spirited contests for business, the concerted action of association members saving for the regular stock companies the school district and public library lines.

State Fund Surplus High

BISMARCK, N. D., Sept. 19.—Within the next few years North Dakota's fire and tornado fund will be sufficiently large to dispense with premium charges for insurance, Commissioner S. A. Olsness believes. Surplus in the fund has reached \$1,611,462, approaching closely the \$2,000,000 figure set by law, beyond which no premium for insurance will be charged political subdivisions.

"It is anticipated," Mr. Olsness said, "that when this fund reaches \$2,000,000, the interest income will be ample to take care of the average run of losses without further premium charges. That goal is in sight now."

Losses in 1933 were unusually high, F. E. Tunell, manager of the fund, revealed. Premium income was reduced by a 40 per cent lowering in rate and reduction of insurance values. Premium payments have totaled \$3,176,132 to Dec. 31, 1933, since establishment of the fund

in 1919, while \$821,311 has been paid in fire losses and \$66,666 in tornado losses.

Indiana Convention Oct. 18-19

The Indiana Association of Insurance Agents is holding its annual meeting at Bloomington Oct. 18-19. Detailed plans have not yet been made.

Stever Agency Moves

Stever Brothers agency of Defiance, O., has moved to new quarters in the first floor of the Latty building there. The firm has been in existence since 1891 and has represented the Ohio Farmers since its inception. W. O. Stever is active manager of the insurance business while Fred S. Stever is head of the farm loan department.

Middle West Notes

The Des Moines Underwriters Association held its annual summer outing last week. S. W. Dorsey, president, was master of ceremonies.

The Edward Boren Company, 19 North Meridian street, Indianapolis, has been incorporated by E. D. Boren, Jr., E. D. Boren, Sr., and Louis Galladay.

Chester Wilson, for several years associated with mutuals at Owatonna and Red Wing, Minn., has gone to Seattle, Wash., to join the staff of the Northwestern Mutual Fire.

IN THE SOUTHERN STATES

Would Limit Examiners' Pay

Virginia Recommendation for Salary Only, with No Fees, Not Likely to Be Adopted

RICHMOND, VA., Sept. 19.—L. M. Downs, state auditor of public accounts, has recommended that compensation of examiners of the insurance department be limited to their fixed salaries and that whatever fees they collect while examining companies out of the state be turned into the state treasury. He said he had found in making an audit of the department that it had been the custom for many years for examiners to retain individually per diem fees of \$25 and expenses while engaged in examination work, refunding salaries paid them by the commonwealth during the period of these engagements. The report showed that four examiners in two years received special per diems amounting to \$18,350.

It is regarded as unlikely that the recommendation will be put into effect,

as the state corporation commission, which has supervision over the department, looks upon the present system with favor. It says the practice in question is uniform throughout the country, having been adopted by the National Convention of Insurance Commissioners, and that it is really a saving, inasmuch as competent accountants in most cases cost more than \$25 a day. The Richmond "News Leader" in an editorial says: "If the bureau of insurance is to retain competent examiners, they must be well paid. Otherwise, they are apt to take service in other states and will be succeeded by men of less experience and perhaps of less ability."

Plan Louisville Sales Congress

LOUISVILLE, Sept. 19.—The Louisville Board will sponsor an insurance sales congress some time in October or November, the dates not having been set as yet. The board at a recent meeting authorized the president to name a committee to work out the plans. The Kentucky Fire Underwriters Association at its meeting last week endorsed the

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(Continued next page)

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• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Embry, Johnson, Crowe & Tolbert
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701 Perrine Building
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Pennsylvania Indemnity Fire Corporation

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DAN MOODY and J. B. ROBERTSON
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Austin, Texas

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Dallas, Texas
Counsel Aetna Life and Casualty Companies
Harry P. Lawther, General Counsel and Director,
Texas Employers' Insurance Association
and Employers' Casualty Company

Leake—Henry and Young
Magnolia Building
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Ocean Accident and Guarantee Corp.
Columbia Casualty Co.

Seay, Malone & Lipscomb
5th Floor Southland Life Bldg.
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William A. Hanger Gillis A. Johnson
Mark McMahon B. K. Hanger
W. D. Smith
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Houston, Texas
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Vinson, Elkins, Sweeton & Weems
11th Floor Esperson Bldg.
Houston, Texas

Upton & Upton
San Angelo National Bank
San Angelo, Texas
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Trial of All Cases

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program and offered full cooperation, when the idea was brought before it by Paul Wilson, Phoenix of Hartford, at the suggestion of C. E. Swope, president of the board. The Kentucky Association of Insurance Agents will also be asked to cooperate, and many of its members will probably attend the sales conference. Arrangements will be made to secure a number of outstanding speakers. Solicitors and office employees of agencies will be invited to attend.

Arkansas Conference Called

J. R. Donham, president Arkansas Association of Insurance Agents, has called a meeting of the officers and members of the executive, legislative, conference and membership committee at Little Rock for Sept. 28. A number of important subjects will be taken up.

Virginia Agent's License Revoked

RICHMOND, Sept. 19.—License of W. G. Ellyson, Jr., of Waynesboro has been revoked by the Virginia department. Revocation was ordered after he had issued a number of fire policies and failed to turn in daily reports. Department officials said his father, who was in business with him, agreed to make good the premiums he had collected when it developed that the policies were those of the Brooklyn Fire, which had been overlooked when the company withdrew from the state several years ago and took up supplies in its Waynesboro agency.

Oklahoma Convention Oct. 28

At a meeting of the executive committee in Tulsa, Oct. 28 was set for the annual convention of the Oklahoma Association of Insurers. The meeting will be held at the Oklahoma Club in Oklahoma City. The National Association of Insurance Agents has been asked to send a representative to address the convention.

The morning session will be closed, agents only being admitted, and the afternoon session will be an open meeting. Cooperation and attendance of the field men have been invited.

The committee on arrangement comprises E. R. Ledbetter, Herbert Heiman and E. W. Clarke.

New Liquor Store Rates

RICHMOND, Sept. 19.—Amendments to the Virginia handbook prescribing occupancy charges to apply to state liquor stores, have been approved. The charge for brick buildings in first and second class cities is placed at 10 cents on the structure and 40 cents on contents. Such buildings in third class cities are rated 20 and 50 cents. In fourth class cities the rate for both buildings and contents is 30 cents.

Dargan Congratulates CCC

K. S. Dargan of Cravens, Dargan & Co. has written a personal letter to President Lynn P. Talley of the Commodity Credit Corporation to express appreciation for the consideration which the CCC has shown local agents, general agents and other insurance interests in the matter of cotton insurance. "I feel certain," Mr. Dargan wrote, "that the insurance needs of the corporation, the local loan agencies, the warehousemen and the producers will be satisfactorily taken care of under the arrangements you have outlined. You are to be congratulated on having formulated a plan that appears fair and equitable to all."

Texas Hearing Oct. 4

AUSTIN, TEX., Sept. 19.—The Texas board of insurance commissioners is holding a meeting here Oct. 4 to consider changes in the Texas general basis schedule and windstorm manual. A number of rules and regulations regarding the writing of fire, windstorm and hail coverage will be reviewed. Consideration will be given reduction in windstorm rates and revisions or adoption of new forms and endorsements. Consideration

will also be given the possibilities of permitting the use of the 80 percent co-insurance clause on use and occupancy. The term rule will also be discussed with the possibilities of revising classes of risks to which the rule applies and amend the method of calculating average rates.

New Plan for County Cover

BIRMINGHAM, ALA., Sept. 19.—Fire insurance on the new Jefferson county courthouse for \$2,600,000 was placed with the two local companies, the Birmingham Fire and Bankers Fire & Marine, to replace policies in 116 companies which expire Oct. 10.

The new policy will run for three years, \$2,400,000 being on the building and \$200,000 on furnishings. The \$1,600 commission will be distributed by the Birmingham Association of Insurance Agents on a pro rata basis among all agents in the county.

Agency Rounds Out 25 Years

Frank Sansom and Americus Johnson of the Johnson, Sansom & Co. agency, Fort Worth, Tex., recently celebrated their 25th anniversary. They started the

agency and have been active in the business since. They have been members of the Texas Association of Insurance Agents for 25 years and charter members of the Fort Worth Exchange. They still have the same companies in their office they started with 25 years ago.

Oklahoma Women Open Season

The season was opened for the Insurance Women's Association of Oklahoma City with a meeting characterized by a banner attendance, indicating greater interest and more enthusiasm than at the close of the last season. The next meeting will be Sept. 26.

Southern Notes

A. L. Miller, 70, founder and owner of the Miller Insurance Agency, Morehead, Ky., died following a heart attack.

H. A. Phillips, 46, vice-president of the Charles H. Phillips & Co. agency, Richmond, Va., died last week.

O. A. Hawkins, manager of the insurance department of Craig Miller & Co., Richmond, Va., and long a business leader of that city, died last week.

W. E. Abell, who has been connected with the Peal Insurance Agency at Wickliffe, Ky., has established an agency of his own in Wickliffe.

PACIFIC COAST AND MOUNTAIN

Utah Agents Meet in Ogden

Annual Meeting of State Association Set for Oct. 19-20—Smith, Sanders and Badger to Speak

SALT LAKE CITY, Sept. 19.—The annual convention of the Utah Association of Insurance Agents will be held in Ogden Oct. 19-20. President E. Hugh Miller, Salt Lake City, expects a record attendance.

Commissioner E. A. Smith, Jr., will outline proposed legislation to be sponsored by his department at the 1935 session of the Utah legislature. This proposed legislation will include an agents' qualification bill, a subject to which Commissioner Smith has given much thought in recent months.

To Discuss Insurance Code

There will be a discussion of Utah's state insurance code, which was drawn up under authority of the Utah recovery act and signed by Governor Blood. It is expected that Rulon M. Sanders, code executive, will speak on this subject and that a round-table discussion will follow.

H. E. Badger, secretary of the Pacific Board, San Francisco, will speak and perhaps other representatives of the board, along with some of the western managers and a representative of the National Association of Insurance Agents.

There will be two business sessions, one commencing at 1 p. m. Friday, and the other Saturday morning. An interstate college football game will occupy the attention of delegates on Saturday afternoon. The annual banquet will be held Friday night.

Milliman Manager for the Pearl in Pacific Northwest

Charles F. Milliman has been appointed manager for the Pearl group with headquarters in Seattle, with supervision over Oregon, Washington and Idaho. In taking this position, he resigns as manager for the Deposit Insurance Agency of Portland, which is general agent in Oregon for the Eureka-Security F. & M. A. L. Merritt, Pacific Coast manager for the Pearl, states that the new appointment will not mean any change in the present general agencies of the Pearl's affiliates in the Pacific northwest. Mr. Milliman started in the business in 1908 with the Underwriters Bureau of the Middle and Southern States in New York. Three years later he joined the North British &

Mercantile, continuing with that company until 1919, when he resigned as assistant general agent for the Pacific department to enter the local agency business in Portland.

R. P. Barbour on Coast

R. P. Barbour, United States manager of the Northern of London, is on the west coast making his annual visit to the department office of his company in San Francisco. It will probably be Oct. 1 before he returns to New York City.

Indorse Farm Bureau Plan

President C. T. Buckman of the California Association of Insurance Agents has informed the Pacific Board that his association is now 100 percent in favor of the establishment of a farm insurance bureau. The plan was explained to the agents at a series of regional conferences and a special meeting at Los Angeles. It will now be submitted for a vote to the members of the Pacific Board.

Oregon Committees Named

Ward Coble of Bend, Ore., has been appointed chairman of the membership committee of the Oregon Insurance Agents Association. Other chairmen are: Publicity and education, Claude Nasburg, Marshfield; grievance, Tom Scott, Hood River; legislative, B. O. Lipscomb, Portland; fire and accident prevention, Sam Fries, Portland; local board supervision, Earl Tamy, Medford; business methods, R. C. Pownall, Portland.

Wilson Heads Pasadena Board

At the annual meeting of the Pasadena Association of Insurance Agents, W. H. Wilson was elected president; E. M. Harkness, vice-president; W. F. Knight, Jr., secretary, and Helen Thomas, treasurer. New members of the executive committee are G. R. Payne, T. A. Mascara and W. P. Welsh.

Legg, Caudill on Coast

H. F. Legg, recently appointed vice-president of the Fireman's Fund in New York City, and W. H. Caudill, recently advanced to assistant secretary there, are visiting the head office in San Francisco.

Schaub Succeeds Hogan

G. G. Scarlett of San Francisco, general agent Underwriters Salvage Company, has appointed J. D. Schaub, Jr.,

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state agent in Los Angeles territory, succeeding the late J. S. Hogan. He has been with the company for 12 years.

Breeden at Home Office

J. P. Breeden, manager of the National Union in San Francisco, is on a two weeks' business trip to the home office in Pittsburgh.

Griffith Speaks to Women

"Automobile Adjusting" was discussed by W. E. Griffith, independent automobile adjuster, before the meeting of the Insurance Women's League of San Francisco this week. James Reed

gave an illustrated talk on "Construction of the Golden Gate Bridge."

Get Globe & Republic in Oregon

The Phil Grossmayer Company of Portland has been appointed general agent in Oregon for the Globe & Republic of the Corroon & Reynolds fleet.

Managers and general agents in San Francisco have been notified of the removal of DeMandell & Epstein, Oakland, Cal., and B. C. McEneaney, Berkeley, Cal., from the membership roll of the Insurance Brokers Exchange of San Francisco.

The Kellerman Insurance Agency, Watertown, Wis., has purchased the business of the Paul A. Schoechert agency from the widow.

Eastern States Activities

Referees' Charges Too High

"As Large as Traffic Will Bear" Evidence Submitted in Massachusetts Shows

BOSTON, Sept. 19.—Charges made by referees appointed on loss adjustments in this state seem likely to provoke animated discussion at the next meeting of eastern loss executives associated with the Fire Companies Adjustment Bureau, to be held late this month or early in October. Manager G. W. Lilly states he has received considerable evidence corroborating charges that referees in this state are in the habit of asking fees "as large as the traffic will bear" which are often all out of proportion to final adjustment figures. One general adjuster has just paid three referees' bills on a \$350 loss, one for \$75 and the other two for \$62.50 each. Investigation disclosed that the one meeting held lasted 40 minutes. Other loss expense bills where the referees' charges seem to have been exorbitant are exhibited in another office and it is believed that the facts to be presented at the forthcoming meeting will be startling.

Death of G. W. Colburn

G. W. Colburn, head of the James Johnston Insurance Agency of Rochester, N. Y., died last week at the age of 71. Mr. Johnston died last March.

General Agents Fined

NEW YORK, Sept. 19.—Fines aggregating several thousand dollars, it is reported, have been imposed on certain general agents throughout the eastern territory for reputed violation of Eastern Underwriters Association rules. Appeals in a number of cases have been taken to the arbitration committee of the organization and hearings will be held soon.

A. C. Sinn Is Reelected

A. C. Sinn was reelected president of the Passaic County Association of Insurance Agents at the annual meeting at Paterson, N. J. He is a vice-president of the New Jersey Association of Underwriters. The other officers were also reelected, they being J. W. Buckley, vice-president, and W. F. O'Brien, secretary. An address was delivered by H. W. J. Hargreave of the New Jersey Claim Investigation.

Motor Insurance Events

Auto Dealer Point of Attack

Offers Avenue for Recapturing Lines Lost to Finance Companies, Says General Agent

The local automobile dealer is the vulnerable point in the effort of local agents to regain some of the automobile insurance lost through finance companies, Walter Meiss, general agent automobile department London Assurance in New York City, states in a letter to President B. P. Carter of Gordon, Brown & Carter, Inc., general agents at Richmond, Va., offering congratulations on the successful campaign being waged by that agency.

The local auto dealer, Mr. Meiss states, realizes that credit is after all a local affair and he must depend on the

good will of the community for success. Generally speaking, the dealer is not especially fond of the hybrid national finance company, whose real power lies with the automobile manufacturer, who in a sense forces on the dealer the selected finance company.

"Some agents are going to convince some dealers of the very real advantages of insurance placed locally, of the immense publicity value and good will created by allowing their contract purchasers to place their insurance where they choose," Mr. Meiss said. "Get one dealer in a town 'cashing in' on the idea and the others will rapidly fall into line. If it is unethical, and in some jurisdictions illegal, for a mortgage loan company or banker to dictate or control the placing of insurance as a condition of the loan, doesn't the same rule apply to the national finance companies, which are really only commercial bankers?"

Instance of Dissatisfaction

Mr. Meiss comments on a notice of coverage under finance company insurance on a new car which cost over \$800 only three months ago and was stolen and not recovered. The purchaser learned only after the loss that his insurance protection was only \$550 and was on a restricted theft form in a broad form territory. He was resentful over being made a coinsurer unknowingly for almost his entire cash equity, but the resentment was directed not at the finance or insurance company but at the automobile dealer for putting him in that predicament with no explanation of the mandatory insurance restrictions. As a result this dealer lost the sale of 12 new cars, which the assured's company was about to purchase, and these 12 cars purchased elsewhere are now insured through regular channels. "A bitter experience," Mr. Meiss said, "but here is one dealer who will stick to selling automobiles and let the legitimate insurance agent handle the job of properly insuring them."

"Insurance agents are automobile owners, but I wonder how many buy cars through the national finance companies which are depriving them of their rightful business, or buy and boost the car of a manufacturer who is not content to build and sell automobiles but invades, directly or indirectly, the field of insurance."

Mr. Meiss complimented Mr. Carter on his exposition of the automobile finance-insurance situation rendered to Virginia and North Carolina agents in a letter, terming it a stirring "call to arms." He said Mr. Carter's suggestion of a clearing house for recaptured lines, he thinks will be adopted by all state associations, and that the total results should be collated by the National Association of Insurance Agents.

Automobile Volume Good

NEW YORK, Sept. 19.—The volume of automobile premiums is being well maintained by the fire companies this year and the loss experience to date has been satisfactory, according to general reports. The new forms of coverage recently adopted by the association companies have proved popular with assured, enabling organization offices to retain business previously being taken away by non-affiliated companies and to secure for them a considerable volume of new risks.

Pushing the Riot Line

The Fidelity & Guaranty Fire has prepared an effective piece of sales literature in behalf of the riot, civil commotion and explosion line. It is in the form of a blotter, upon which appears a drawing of a newsboy. Under his arm is an "extra" edition of the "News," which reads: "Strikes, riots, civil commotions—your daily paper proves your customers' needs for this protection. Headlines shriek a menace that has arisen to take its toll of property destruction. You can prevent financial loss and disaster from affecting your customers by acting now."

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Illinois Agents Retain A.S. Keys at Helm

Report on Peoria Situation Novel

History of Controversy Over Catholic Business Given in Printed Pamphlet

FACTS ARE PRESENTED

Committee Offers No Recommendation Except Members Should Form Own Judgment From Document

The report of the special committee in the matter of insurance for the Catholic diocese of Peoria at the annual meeting of the Illinois Association of Insurance Agents in Chicago was a most unusual document. This has been a most vexatious problem to the association since July of last year and in its solution, the committee and the association went down the middle of the road. A 31-page printed report was presented, relating the origin of the problem, the outcome of various conferences and including copies of much of the correspondence. The conclusion was:

Quotes Agency Principle as to Company Allegiance

"In this situation the matter therefore rests. Your board of directors believe that it has exhausted every possible effort to secure the correction of what is still believed to have been, to say the least, the unethical acquisition of a large line of insurance. It is probable that not all of their members will agree. If after reading this report you believe that the Insurance Company of North America has not been privy to improper practice in this matter in depriving many of its agents of business for the benefit of a single agency, no criticism whatever should be attached to it and it is entitled to your continued support. If on the other hand, after a careful reading of these pages you believe the contrary is the case, we can only remind you that:

"This association holds this truth to be self-evident: That its members owe their allegiance to those insurance com-

New Officers Elected

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FIRST VICE-PRESIDENT

F. J. Budelier, Rock Island

SECOND VICE-PRESIDENT

J. Edward Martin, Peoria

THIRD VICE-PRESIDENT

W. H. Stewart, Chicago

NATIONAL COUNCILLOR

Lyman M. Drake, Chicago

SECRETARY

Shirley E. Moisant, Kankakee

CHAIRMEN OF STANDING COMMITTEES

Local boards, W. H. Jennings, Jr., Rockford; membership, Frank M. Chandler, Chicago; legislative; R. W. Troxell, Springfield; budget and finance, P. B. Hosmer, Chicago; farm, Mark I. Hall, Belvidere; casualty and surety, H. W. Capen, Bloomington; automobile, Lyle H. Gift, Peoria; grievance, C. C. Nicholson, Decatur; public relations, C. J. Montgomery, Rock Island; fire and accident prevention, H. R. Checkley, Mattoon.

panies whose loyalty to its principles for the preservation of the American agency system is unquestioned."

The Peoria situation developed, according to the report, when Bishop Schlarman, dissatisfied with the methods of handling the insurance for the diocese, investigated the possibility of a more acceptable arrangement. The outcome was the awarding of the business of the diocese to the North America through the Reyburn agency of Peoria. In this the appraisal issue arose.

Tuttle Points Out That No Rule Was Violated

On Aug. 15, 1933, the Peoria agents called a meeting and adopted a resolution calling upon the North America to cancel the business, on the ground that the company guaranteed the acceptance of appraisal values as the basis of settlement of any losses that might occur, thus invalidating the intent of the coinsurance clause.

A committee was appointed to call on Western Manager C. R. Tuttle of the North America and at that session Mr. Tuttle defended the procedure of his

company and denied that the set up involved guaranteed appraisals. He pointed out that the North America was not in violation of any rule.

On Aug. 21, the Reyburn agency was dropped from membership in the Peoria agents' association.

Then there was produced a letter from Mr. Tuttle to Rockwood Hosmer, who was then president of the Illinois association, stating there was no agreement, written or implied, that nullifies any provision of the policy contract. He said every policy would be at the full rate, proper form and each entry will pass through the stamping bureau. He said the North America was assured by the agency that there is no agreement as to any rebate, concession or contribution. The North America insists that a resident agent in the place where the property is located shall sign the policy and receive the brokerage commission.

The action of the Western Underwriters Association on Sept. 19, in outlawing the making of appraisals, was reviewed. On Oct. 9 there was another session with Mr. Tuttle. On Nov. 7, at

(CONTINUED ON PAGE 33)

Hosmer Reelected Chairman of Body

Drake Succeeds Troxell as Councillor—Good Increase in Membership Reported

MEETING ABBREVIATED

New Constitution and By-Laws Adopted in Chicago Session—Peoria Diocese Matter Closed

The abbreviated annual meeting of the Illinois Association of Insurance Agents in Chicago Monday, which was a curtain raiser so far as the Illinois agents were concerned to the big convention in Grand Rapids, was marked by great expeditiousness in the transaction of business, if not by attendance. Most of the wheel horses of the association were on hand although there was not a large representation of the rank and file. Practically all of those attending the Chicago session made up a party that went by special train to Grand Rapids Monday evening.

Alvin S. Keys, of Springfield was re-elected president and Rockwood Hosmer of Chicago was returned as chairman of the executive committee. R. W. Troxell of Springfield, who had served as national councillor for several terms, had declined to accept reappointment and Lyman M. Drake of Chicago was selected for that important position.

Hosmer Sees New By-Laws and Constitution Adopted

Rockwood Hosmer had the satisfaction of seeing a new constitution and by-laws adopted. This is a project he has been advocating for some time and in the consummation of which he devoted much labor. He was chairman of the special committee on the revision.

The association apparently wrote finis to the bitter controversy over the handling of the insurance business of the Catholic diocese of Peoria. The report of a special committee, headed by

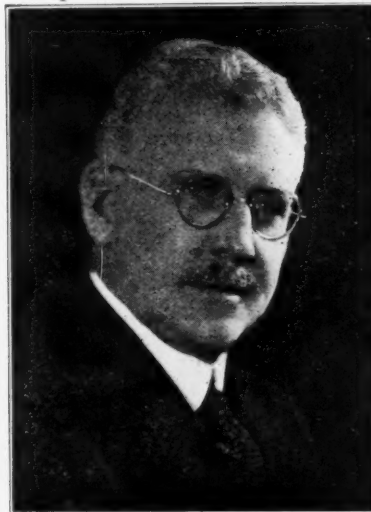
(CONTINUED ON PAGE 34)



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Sees Improvement in Compensation

W. H. Stewart Predicts Betterment of Illinois Record Under Present Rates

MAKES CASUALTY REPORT

Says Agent Must Be "Adequately Compensated"—Favors Selective Automobile Rating Plan

Considerable interest was displayed at the annual meeting of the Illinois Association of Insurance Agents in the report of the casualty and surety committee of which W. Herbert Stewart of Chicago is chairman. At the time the report was submitted, Mr. Stewart was in Grand Rapids attending a session of the compensation committee of the National Association of Insurance Agents. His report to the Illinois meeting was concerned principally with the compensation problem.

He expressed the belief that the experience in Illinois at the present rates will be a little better than the average countrywide experience, due largely to the fact that Illinois is a non-controlled rate state with the result that rate increases have been more easily obtained than in rate controlled states.

Cites Difficulty in Placing the Business

He pointed out that agents are experiencing great difficulty in placing compensation risks. Companies are sidestepping the writing of this business wherever possible. They have become ultra-conservative and will write compensation only where sufficient pressure is brought or where ample collateral lines are given. Even then they are not eager to write the business. In Illinois, he said, on business written at the present rates with the present acquisition cost and with the proper servicing of the risks by both agent and company, the experience would be much improved.

Any rating plan that may be eventually adopted, he said, must provide an adequate premium to the companies, and the agent must be paid an adequate compensation for his services. There must be full and real cooperation between companies and agents.

He pointed out there is the general impression that agents' remuneration represents solely the selling cost. He contended that sales represent the smallest part of the activity necessary for the handling of this business. Great technical skill is required and the compensation is fully earned when the service following the securing of the business is fully performed. This service contemplates the agent establishing plans of loss prevention, setting up safety organizations, cooperating with company engineers and assuming responsibility for proper claim service, medical organization and payroll audits.

Illinois Situation Is Confused By Burns Case

He mentioned the muddled situation in Illinois by virtue of the recent Illinois supreme court decision in the Burns case, whereunder the word "or" was inserted in section 2 of the occupational disease act. The confusion caused by this decision, he argued, should be rectified by the Illinois legislature and the legislative and casualty committees of the Illinois agents' association should take a hand in recommending legislation on this point.

As to automobile, he said that acci-

New Constitution Does Not Embody Radical Changes

The new constitution and by-laws of the Illinois Association of Insurance Agents, as adopted at the annual meeting in Chicago, do not contain radical departures from the previous set-up. The revision was regarded as necessary, because the old constitution and by-laws were ancient and were loosely worded and arranged.

After considerable discussion, decision was reached to retain the present schedule of graded dues. However, a section was introduced in the constitution to provide that where two or more members are actively associated in the production end of the business of an agency, each additional such member in excess of one, must pay \$2 to the association. In other words, membership in the association is by agencies as in the past, but there will be an additional fee of \$2 per head, in excess of one, for those agencies which embrace several active producers.

Change in Board Setup Under New By-laws

Another change is the provision that the board of directors shall consist of the elective officers and the chairman of the standing committees. In the past, the president had the option of appointing the directors.

There is a new by-law providing: "A member may be expelled by a two-thirds vote of the board of directors on complaint duly filed in writing by the local board in his city or member in his city in good standing after full hearing of charges. A copy of the charges filed shall be furnished such member at least 10 days prior to the date set for such hearing. Proceedings of such hearings shall be held in camera and the investigation and its results shall be made known only to those in interest. No member of the board of directors shall consider a complaint where he is directly interested in the complaint."

Rockwood Hosmer was given an ovation because of his work in drafting the new constitution and by-laws and in putting them across.

dental deaths and injuries are increasing at a rapid pace. The experience is getting beyond the point where companies generally can make a profit. A number of non-conference companies have been pushing so-called selective risk policies with the result that they are obtaining much of the preferred risk business while the companies and cars used in business are going to the bureau companies. "Agents generally must protect their business and it would seem to our committee that some general plan of this type should be adopted by all companies or some retrospective credit to offset the situation should be introduced," he said.

False Fleet Situation Reported Much Better

Improvements have been made in the fictitious fleet situation, although it has not entirely been straightened out, he said. He mentioned the progress that has been made towards the adoption of a standard automobile policy. If this were done, it would relieve the agents of the burden of examining the policy contract.

There has been no progress made in the effort to induce Governor Horner of Illinois to take action, which would permit contractors to buy bonds required by the state wherever they chose. Practically all of this business is now going to the Horan & O'Brien agency of Chicago. The Illinois agents association has had considerable correspondence with the governor in this matter, but to no avail so far.

Report on Peoria Situation Novel

(CONTINUED FROM PAGE 31)

the 1933 annual meeting of the Illinois agents, a resolution of protest was adopted.

Mr. Tuttle replied to this resolution, stating among other things: "To one with vision, it must be patent that business of every kind is striving to please its customer. Insurance is no exception and agents are soliciting the advice and counsel of their principal, not only as a means of giving their customer the most economical, complete and collectible coverage permitted under our rules, but as a matter of self protection from non-stock carriers."

"To deny agents the privilege of this counsel and advice would not be living up to the true precepts of agency and company relationships as we see it."

Gave Broad Estimates of Insurance Requirements

"We made no 'appraisal' but did give broad estimates of insurance requirements of the church property. Approximate estimates of value with a written acknowledgment by the insured that we did not guarantee their infallibility or continuity during the term of the policy, does not waive any condition of the insurance clause."

There was further correspondence and then there was reproduced a confidential memorandum from T. J. Jordan, chancellor of the diocese, giving instructions to the local priests.

Among the instructions were that 15 percent might be deducted from the bill.

There was correspondence, initiated by G. H. Reyburn, as a result of which members of the Reyburn agency had a conference with directors of the Illinois Association of Insurance Agents. The Reyburn people submitted a statement, explaining that the instruction to local

priests to deduct 15 percent in remitting for insurance premiums, was included as the result of a misunderstanding and was immediately rescinded by the bishop. The local priests, the Reyburn statement declared, remit in full for the premium based on the full published rates. Subsequently the Reyburn agency submitted a copy of the chancery letter, rescinding the instruction as to the 15 percent.

Recent Bulletin of the W. U. A. Is Reproduced

The Illinois agents corresponded with E. A. Henne, president of the Western Underwriters Association. On Aug. 2, 1934, the Western Underwriters Association sent a bulletin to members, stating: "As directed at the last meeting a letter was addressed to Mr. Tuttle outlining complaint from our members to the effect that control of this business is influenced by an abuse of appraisal service together with a rebate by the agent of a part of the commission."

"Mr. Tuttle responding in a letter dated July 3, 1934, fully answers all of the issues which the complaints had raised under our rules and the feeling of the committee is that on the statement of Mr. Tuttle of his practice and method in writing his business, there is no violation of our rules and that this finding should be certified to the Illinois Fire Underwriters Association and the file closed."

Disapproves Action to Injure or Embarrass Members

"The committee furthermore expressed decided disfavor upon any action of field men of member companies having the intent or purpose to embarrass or injure the agency or business of any member because of allegation or com-

plaint against any member or any other self-assigned reason."

In addition to Mr. Jennings, the other members of the committee were Rockwood Hosmer and J. Edward Martin of Peoria.

Jottings at the Annual Meet of Illinois Agents

Shirley E. Moisant of Kankakee, secretary of the Illinois association, was being addressed as Miss Moisant. It seems he was recently so addressed in a letter from Governor Horner of Illinois. This was in the correspondence between the Illinois agents and the governor on the concentration of state bonding business through the office of Horan & O'Brien in Chicago.

* * *

Handling the registration and other "desk" functions were E. G. Whitaker of the Chicago Board and Mrs. Margaret H. Campbell of Winnetka, Ill., daughter of Rockwood Hosmer, who is chairman of the association.

* * *

The resolutions committee consisted of Ralph Miller of Chicago, chairman, J. Edward Martin of Peoria and A. J. Teninga of Chicago. Mr. Miller demurred at serving on the committee, but President Alvin S. Keys was firm and Mr. Miller thus handled the job for the tenth consecutive year.

* * *

The nominating committee consisted of J. M. Newburger of Chicago, L. H. Webb of Chicago and W. H. Schneider of Kankakee.

* * *

W. C. Sparks of Rockford took a keen interest in the revision of the constitution and by-laws. He questioned Rockwood Hosmer closely on various points and made some useful suggestions.

* * *

A message of good wishes and regret at inability to attend the Illinois meeting was received from Allan I. Wolff,

Fire Prevention Work in Illinois More Extensive

Charles J. Montgomery of Rock Island, in reporting as chairman of the fire prevention committee at the meeting of the Illinois Association of Insurance Agents, stated that fire prevention week was observed in the state by a larger number of cities than in any previous campaign. A great number of reports were furnished for the National Board. In Illinois last year, Joliet won first place, Champaign second and Western Springs secured honorable mention.

Much work has been done in the schools. Fire drills have been regularly held. Lectures on fire prevention have been given and most schools have been visited and inspected by firemen.

The annual fire college was held in June at the University of Illinois. Many prominent insurance producers were on the program, including Insurance Director Palmer of Illinois.

The Illinois State Fire Prevention Association held inspections during the past year in Paris, Ottawa and Bloomington. There were 583 risks inspected in these towns and of these 483 were criticised and 1,525 recommendations made.

Many more town inspections should be held each year, he contended. The agents should arrange for such inspections at an early date.

He urged the agents to take action that will get their towns entered in the National Fire Waste Contest.

president of the National Association of Insurance Agents. The message was read by President Keys and was greeted by prolonged applause, thus indicating the personal popularity of Mr. Wolff in his home state.



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Hosmer Re-elected Chairman of Body

(CONTINUED FROM PAGE 31)

W. H. Jennings, Jr., of Rockford, which had been prepared in printed pamphlet form, was distributed and copies will be sent to all members. This was a dispassionate, documented account of the history of the case, the conclusion being that the members should form their own judgment. The report had been submitted to the North America beforehand and certain changes requested by that company had been made, while certain other requests for changes had not been honored.

Much discussion centered about the adoption of a resolution expressing opposition to the application of any rating system for compensation insurance which contemplates a reduction in the remuneration to Illinois agents for services required in underwriting, supervising and servicing such business. Rockwood Hosmer questioned the propriety of adopting such a resolution in view of the fact that a committee of the National Association of Insurance Agents at that time was wrestling with the compensation problem. His theory was that the Illinois agents ought not to take any action which would compromise any national program that might be promulgated.

Resolution Championed
By Committee Chairman

Ralph Miller of Chicago, chairman of the resolutions committee, championed the memorial. He said, in some quarters, a system of absolute uniformity in compensation practices nation-wide is being advocated. That might mean that the Illinois agents would have imposed upon them voluntary reductions in acquisition cost. He contended that the Illinois agents should register opposition to such a program.

The resolution was finally adopted. Other resolutions included those commending the Home Owners Loan Corporation and Commodity Credit Corporation for their policy of recognizing the rights of local agents. Another resolution was in honor of the late Jacob Wachenheimer of Peoria, who died during the year.

At noon, the members gathered at lunch and their number on this occasion was augmented by the presence of a large number of Chicago agents, field men and other company representatives and two officials of the Illinois insurance department, they being Hiram McCullough and A. C. Resek. President L. E. Yager of the Chicago Board spoke a few words of greeting.

President Reports Good
Increase in Membership

The convention opened with the presidential report of Mr. Keys. He referred to the fact that the membership had increased from 301 as of Sept. 1, 1933, to 339 as of Sept. 1 this year. Due largely to the assistance of P. B. Hosmer of Chicago as chairman of the budget and finance committee, he said the financial status of the association is better than it has been for many years. Before the close of the fiscal year the allotment to the National association was paid in full as well as all current bills.

Mr. Keys said it is evident that the organized agents were responsible for bringing about a change by the Commodity Credit Corporation in the handling of its insurance requirements, so as to give recognition to the local agents in the matter of cotton insurance.

The HOLC, he declared, has maintained a fair and responsive attitude, being disposed to consider the interests of the agents. "Unfortunately," he said, "the principal competition of the agents has been the efforts of some of their companies, over zealous for business, to secure the business directly. The agents' organization is endeavoring to save the business to all the agents while the companies are endeavoring to secure this for themselves and with some recognition of some of the agents."

Responsibility of Agent
For Proper Handling

He warned the members that the agents have a definite responsibility to render the best service possible in handling HOLC insurance. Errors should be avoided in writing the policies and endorsements and arguments with representatives of the corporation as to changes requested, endorsements, etc., should be avoided.

He referred to the likelihood that next year a new insurance code will be presented to the Illinois legislature by Insurance Director Palmer. Officers and members as well as the legislative committee should take an active interest in this program and make suggestions. The association, he declared, is interested in strengthening the agents' qualification law. He said that due to the efficient and courageous administration of Mr. Palmer, Illinois is now in the front rank among the states insurance-wise.

Shirley E. Moisant reported as secretary-treasurer. He showed the financial condition of the association to be sound. The membership as of Sept. 1, 1933, was 301. During the year there were 86 new members added, and nine reinstated, making a total of 396. There were 57 dropped making a net membership of 339 as of Sept. 1, 1934.

P. B. Hosmer Explains
the Financing Measures

P. B. Hosmer reported as chairman of the budget and finance committee and also as chairman of the special deficit fund committee. He explained the special measures that were adopted that enabled the association to end the fiscal year free from outstanding obligations.

W. H. Jennings, Jr., reported as chairman of the local boards committee. He said at present there are 16 active local boards within the state and there are seven cities contemplating the organization of local units. The active local boards are in Bloomington, Chicago, Elmhurst, East St. Louis, Galesburg, Granite City, Joliet, Kankakee, LaSalle-Peru, Mattoon, Moline, Quincy, Rockford, Rock Island and Springfield. Local boards are contemplated in Cairo, Campaign, Freeport, Harvard, Paris, West Frankfort and Pontiac.

He recommended that local boards

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have more frequent meetings, that cooperative advertising, similar to that done in Peoria and Springfield, be undertaken, that the boards enter more actively into the local civic life and take the leadership in safety work and fire prevention. He said they should urge the public libraries to establish an insurance library. Interesting programs should be arranged, with a good speaker at least once a month. There should be coextensive membership in both the state and national associations. In Peoria, he pointed out, that is mandatory.

Complaints of Special Deals With Land Banks

Mark I. Hall of Belvidere, as chairman of the farm committee, entered complaint against the deals of certain companies with the federal land banks, for insuring properties, when the borrower defaults in payment of the premium. Many farms are already or will be mortgaged to the federal land banks and this arrangement is a severe blow to the loyal farm agent, he said. The agent should not be ignored, even though he doesn't happen to represent the carrying company, he contended. He should be paid a brokerage, for the business which he has serviced for years. He suggested that a committee be appointed to call upon the companies, which have made such deals, in an attempt to induce them to give recognition to the local agent, and should they refuse to do so, that their identity be made publicly known.

With the great interest that is being created in the cultivation of soy beans, Mr. Hall said attention should be given to whether soy bean fodder stored in barns creates a new fire hazard. He said on one farm which specialized in soy bean cultivation, a barn burned three times and the storage of beans was suspected as being the cause.

Careful inspection of chimneys by the agents and promotion by them of installation of fire-proof roofs should re-

sult in reducing the loss ratio 10 percent on the ground that 10 percent of the farm fires are caused by sparks on roofs.

When Mr. Hall completed his report, President Keys mentioned a grievance of his own, so far as farm insurance is concerned. He pointed out that the farm writing companies are making a great drive to have all of the business written on the five year note plan. Some of these companies go so far as to decline business unless it is written on this plan. He contended such a policy is ridiculous, particularly in connection with farm property in the hands of receivers, trust companies, etc. Such fiduciaries, he pointed out, have no authority to sign notes and furthermore their authority is limited to making contracts for not more than one year. One farm insurance executive suggested that such fiduciaries sign the notes anyway and the insurer would agree never to enforce the note. In other words, if the policy were canceled there would be no demand for further payment.

The report of the casualty and surety committee was read by F. J. Budelier of Rock Island, in the absence of Chairman W. H. Stewart, who was in Grand Rapids, attending the session of the compensation committee of the National association.

Report of Membership Committee Presented

The report covered several aspects of the compensation situation and the suggestion was made that the conference companies adopt some selective automobile risk policy, similar to that with which several of the non-tariff companies are making heavy inroads.

Frank M. Chandler of Chicago, chairman of the membership committee, was not present, but his report was presented.

Recommendation was made that the program of regional meetings be expanded and that this be supplemented with a well planned direct mail cam-

paign. During the year regional meetings were held in Bloomington, Rockford, Rock Island, Mattoon and Elmhurst and although they were well attended and much enthusiasm was aroused, the membership results were disappointing.

A. J. Teninga of Chicago reported briefly as chairman of the grievance committee. There was no report from the legislative committee, public relations or automobile committees. C. J. Montgomery of Rock Island gave a report of the fire and accident prevention committee, showing that there had been considerable activity in the state during the year.

The concluding feature of the morning session was the report of the committee on the Peoria diocese insurance.

The afternoon session opened with consideration of the revision of the constitution and by-laws and this occupied considerable time. The meeting concluded with adoption of resolutions and election of officers.

The directors had held a meeting Sunday evening in Chicago.

Great Opportunity Exists For Fire Prevention Work

(CONTINUED FROM PAGE 6)

ualty and Surety Underwriters and National Fire Protection Association in maintaining contacts with men in the field.

While it is true that agents throughout the country are showing considerably more interest in fire prevention work than heretofore, the committee stated, the fact remains that only the surface has been scratched. In the past agents generally were found slow in lending active support to fire and accident prevention work but there are now 15 state associations which have active fire or accident prevention committees operating on an organized basis and many other state association presidents have

promised to put their committee chairmen at work in the near future. The national committee assisted state and local board officers in selling the idea to members by furnishing a list of ten reasons why local agents should take active part in the work. It was cited that:

(1) Risks with excessive loss ratios are continually getting more difficult to place and result in higher rates which create sales resistance; (2) saving of human lives from injuries, and protecting property are of paramount importance to every citizen; (3) activities of this type will tend further to justify the American agency system; (4) the work enables agents to make additional desirable contacts and receive public recognition; (5) larger buyers of insurance readily can see they are indirectly receiving a dividend by reduction in rates due to this work; (6) good will to stock insurance; (7) conservation of human lives and property in the final analysis is the by-product of stock company insurance; (8) the work keeps the insuring public insurance-conscious; (9) it shows the public that stock companies and agents are interested not only in protection against misfortune, but also in prevention of misfortune; (10) it will further chances of local boards securing recognition for handling county and municipal business.

The committee called on all local agents to take part actively in Fire Prevention Week, Oct. 7-13. Besides Mr. Fischer the committee consists of T. C. Cheney, L. F. Fuebier, W. G. Hurtzig, Homer Lipps, J. C. Nicholson, J. W. Oliphant and F. C. Tardy.

Little Riot Business in West

The western departments of fire companies have been participating only to a very limited extent in the riot and civil commotion insurance being written as a result of the textile strike. There are very few textile plants in the western territory although the western departments have been getting a few lines from Tennessee.

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(CONTINUED FROM PAGE 6)

equitable premium, against cut rate competition.

If the agent is directing his solicitation principally at persons already insured, he should be sure that he has something better to sell than the assured now possesses. It is better to turn to the uninsured prospect, thus creating new business, he said.

Large Proportion Uninsured

He quoted the estimate that not more than 25 percent of the cars are insured. In 1933, 95.5 percent of the automobiles marketed in the United States cost less than \$1,000. Many of these owners protest that they can't raise money to pay the premium. The owner should be convinced of the necessity of protection and it should be pointed out to him that he raised the money to buy the car even though it may have been on the finance plan and that insurance can be purchased the same way.

He warned against spending too much time trying to line up fleet risks, saying that this was highly competitive business. The same amount of time spent soliciting individual cars will bring more permanent results, he said. He suggested making a list of policyholders that have been lost during the past three or four years. They should be approached on the chance that their fortunes have improved and are now in the market for insurance.

In any event, he suggested that the agent try something. Try newspaper advertising, try soliciting by telephone.

He suggested the agents budget their time, so as to be sure to devote enough attention to acquiring business, as against collecting and other tasks of management. The agent should help to eliminate dishonest claims. Fake claims, he said, are reaching alarming propor-

ALLAN WOLFF ANNOUNCES AGENTS' PROGRAM

(CONTINUED FROM PAGE 1)

HOLC, the first being concerned only with the business on which the HOLC pays the premium. Subsequently, the program submitted was more ambitious.

The amounts being loaned by the HOLC are stupendous and the loss of this business and its condensation in a few hands would be disastrous to many an agency, he declared.

"We cannot emphasize too forcefully the urgent necessity for the agent who writes HOLC business, to exert every means to collect the premium," Mr. Wolff asserted, "and relieve the hard working officials of the corporation of the burden of acting as a collection agency, just as far as it is possible. Nor can we overstate the urgency of giving careful attention to the details in connection with writing the policies so they will conform to the requirements of the HOLC."

Selfishness Was Eliminated

Some contended that the National association should attempt to obtain the HOLC business for members of the National association only. However, the officers concluded the case would be stronger if no selfish motive were attached to the proposal. If the HOLC plan is successful, it will be another case of the nonmember agent getting a free ride, Mr. Wolff pointed out.

The project may require establishment of a service office in Washington. This is an innovation, the propriety of which

tions and there is no remedy except from within the business itself. The agents know the individual assured, they can become acquainted with the professional standing of physicians and lawyers and by taking a personal interest in claims can help protect the client and company.

has been questioned by some, but Mr. Wolff expressed the opinion that these times called for innovation.

Mr. Wolff was most critical of the Interstate Underwriters Board. "If its purpose was to construct rates to meet cut rate competition," he said, "it has failed in that respect, because no matter what rate it establishes, where the business is desirable, there generally is a cut rate company ready to come along and underbid the I. U. B."

The I. U. B., he charged, has been used very frequently to switch business from one organization company to another and it has apparently aggravated this type of competition to a greater extent than it has eliminated outside competition. The advocates of the I. U. B. cite the low loss ratio of its business. Mr. Wolff said this was not significant because the class with which it deals is generally of the profitable type.

Wants Greater Uniformity

He expressed the hope that the I. U. B. would adopt a more definite plan of rating for country-wide application. The I. U. B., he said, is not alone among the company organizations that tend to disrupt the rate structure. "It is difficult to understand," he declared, "how companies can justify their expense ratios where they maintain highly technical and expensive rating organizations, designed to produce scientific rates, and superimpose on them superrating organizations to tear down these rates."

Paying his respects to nonadmitted companies, he said London Lloyds has been unusually aggressive during the year, particularly in the bankers blanket bond field. Senator Neely of West Virginia has expressed his intention to reintroduce his bill, aimed at London Lloyds. Under this measure, banks

which belong to the Federal Deposit Insurance Corporation would be required to buy their bonds only from admitted companies. Such a law, together with a measure forbidding the use of the mails to unlicensed companies, Mr. Wolff said, would put it squarely up to all companies to enter the states in an orderly way and comply with the law.

Some contend, he said, that London Lloyds is not so much responsible for the present state of affairs as the laxity of the laws in this country. "The buyer, and in consequence the producer," he said, "frequently demand as much flexibility as is consistent with proper underwriting conduct. Companies, and particularly those bound tight by organization restrictions, are often slow to meet these demands. Many of the Lloyds operations of which some complain are in the nature of response to modern business needs. If duly admitted, they should be as rigidly controlled as are other carriers and in no case should they be permitted to operate without the law."

Hits Towner Bureau

"If the Towner Rating Bureau," he said, "and its constituent companies were a little more considerate of modern business demands, and more inclined to recognize the orthodox production forces, there would not be such strong temptation to seek the foreign market."

So far as branch offices are concerned, he said, that institution and the non-policy-writing agent go hand in hand. If all but recording agents and brokers were abandoned, the chief reason for the spread of branch offices would have disappeared. "We have always held," he said, "that under parity of operations, the local agent has nothing to fear from such competition."

Although the defeat of the code was discouraging, two pronouncements will go down in insurance history as constructive and far reaching. One was the statement by representatives of all classes of companies and by the officers

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of the National association that unfair practices do exist. "This," he said, "should prove a starting point for future negotiations." The second pronouncement was that of the mid-year convention at Louisville which proved that code or no code the National association is a unit in its efforts to rid the business of unfair and unrighteous competition.

Gratifying Phase

"The most gratifying phase of the entire year," he declared, "is to be found in the manner in which the members proved they can take it on the chin and stick together in good times and bad."

Mr. Wolff said he has wondered several times during the year whether the association has not been blind in its loyalty to organized companies. Mere membership in an organization is no passport into the land of right practices. He cited an example. In a company pool handling considerable amount of government business are reported to be three organization companies, one non-organization stock company and one mutual. "These organization companies," he said, "would have us throw out of our offices the non-boarder and the mutual, but are they willing to discontinue the arrangement they were reported to have made with them in the fear of the danger of losing this nice piece of government business?"

Such companies, he contended, have an eye only to their own prosperity. "They have no moral right to continue to lie down beside non-organization companies in Washington or elsewhere, and then ask us to harbor them in our offices."

Consistent Separation

Consistent separation might be welcomed but no program of this kind can be equitable which demands that an agency break ties, in many cases of long years standing, while the company continues its own affiliation with the outsider, through reinsurance arrangements, pools, etc.

There is a great need, he said, for a working agreement among the fire, casualty and marine companies and the agents. Repeatedly the agents have held open the door of conference, but with small avail, he said. "It is difficult to convince our principals that we earnestly desire to work with them and never against them. The companies which dashed our hopes for creation of a jointly controlled organization for the adjustment and settlement of our business problems owe the business an obligation to devise an adequate substitute."

Views Separation Problem

In discussing the separation question, Mr. Wolff said that as an organization the National association can take no action on the question because the decision was made without consulting it. Many individual agents, however, are deeply concerned.

The "all in" or "all out" rule is gaining headway among strong local boards. It is designed to help the agents and companies jointly to improve their business. In many boards this rule has long been a standard and Mr. Wolff termed it "a grave pity if not a disaster for any of these spots to be disturbed by a company dictum which is locally unnecessary."

Develop Many Ideas at Local Board Conferences

(CONTINUED FROM PAGE 3)

presided over the local board conference for agents in cities up to 50,000 population, suggested a number of topics for discussion.

Under the general heading of methods to pursue and plans to be developed to increase membership and standing of local boards, he suggested discussion of formation of service committees to co-operate with chambers of commerce, retail merchants, school boards, etc.; the writing of all public business by the board, advertising by the association and traffic safety campaigns and educational work.

As to the question of whether non-

policy-writing agents and mixed agencies should be members of local boards, he cited certain arguments in favor of permitting them to join and certain arguments against. As arguments in favor, he pointed out that such membership would tend to give the board control over those agents and their appointments, through association membership and contact, possible corrections could be made; they might be induced to change their practices to correspond with those regarded as orthodox and mixed agencies might be held in line. Against the proposal might be cited the fact that non-policy-writing agents are in reality offering cut rate competition to the legitimate agents; that in a mixed agency there usually is a non-board or excess commission payer, which offers unfair competition to the board agent.

Mr. Eubank brought out several reasons in favor of the writing of public business by local boards. If this practice is adopted, the local board definitely establishes itself within the community. It creates financial and numerical strength. The Ogden board, he said, follows this system and as a result is strong financially. In rotating and allocating public business, each agent is given an opportunity to bid on and write public business. The public is given the combined services of all members of the board and unfair competition and cut rates are eliminated.

Mr. Eubank also indicated approval of educational work and advertising by local boards as a unit.

In order to develop closer coordination of local boards in the state and National associations, he suggested that the local board president should be automatically vice-president of the state association. Active and progressive agents should be appointed members of local board committees. Close contact should be established with the national councillor.

Mr. Eubank said local board meetings should be developed into more of a service club than a strictly business organization. A program committee should be formed and outstanding people in the community, including public officials, should be obtained as speakers. There should be numerous social functions.

Grow Is New Head of Michigan Body

(CONTINUED FROM PAGE 17)

mittee, was introduced and explained the proposal of the national body to have a contact office in Washington, D. C. He said that all business organizations have such a service office. Information is gathered and transmitted to trade organizations. He said that Secretary Bennett, W. Owen Wilson of Richmond, Va., and S. O. Smith of Gainesville, Ga., of the executive committee had spent much time in Washington and had arranged temporarily with W. T. Reed, Jr., of that city to do some work for the National Association of Insurance Agents. He said that Mr. Reed had gotten valuable information and made excellent contacts. He asserted that if such a man had been employed theretofore, results might have been different in other negotiations the association had in Washington. The members of the committee, he asserted, wasted time in trying to find out who was the right man to see.

New Office Will Mean About \$12,000 More Expense

Mr. Bair said the budget did not anticipate the extra expense. It will require \$1 per member per year to maintain the Washington service office. Different plans have been suggested to raise the money. Some felt, he said, the New York office should lay the matter before each member, asking for \$1 contributions. If the office is established and proves satisfactory and successful he predicted it would be made permanent. The national body finds a greater con-

centration of government business in Washington. This tendency will increase and Mr. Bair believes that it is highly important for the agency forces to have this office.

As an expression of opinion the Michigan association voted to request the New York office to solicit each member direct for \$1 with the understanding that each state would then make up the deficit in some way or other.

President McCune announced that there have been five new local boards established recently, there now being 23 in the state.

Will Go After Some of the Smaller Agencies

Phil Braun of Flint stated that the governing committee is anxious to reach some of the smaller agencies. The Michigan association has a minimum membership fee of \$15 for agencies that have an income up to \$25,000. Mr. Braun suggested that as an experiment with no change in the by-laws the governing committee be permitted to seek members having an income up to \$10,000 with a minimum of \$10 fee and from \$10,000 to \$25,000, \$15. He said that there should be no change in the constitution but let the officers and committee experiment. The matter of becoming members is purely a price question with these small agents, he said. They will not pay \$15. Some claim that a number of \$15 men would therefore drop to \$10. Secretary Brown asserted that when the association changed its minimum from \$10 to \$15 it lost only 10 or 12 members. He is not in favor of reducing the minimum to \$10 permanently but was willing to try the experiment. The association voted to have the trial made.

The new president in taking the chair said that there would be no great innovations inaugurated. The organization, he said, would attempt to go along slowly but surely. There is a big job ahead, he stated. The state is faced with a new legislative year.

Will Establish a Service Office

(CONTINUED FROM PAGE 1)

has been deeply interested in the National association's Washington activities, and in frequent conferences with W. Owen Wilson and Sidney O. Smith of the executive committee, and Secretary Walter H. Bennett during the course of their Washington negotiations.

He is a native of Washington, and after completion of his education, entered the Department of State. He then became manager of the insurance department of the American Security Corporation and afterwards served in similar capacity with the firm of Boss & Phelps. On Dec. 1 of last year he opened his own agency.

He has the degree of master of law from the National Law College in Washington. He is 35 years of age, and his home address is 2926 Thirty-Third place.

The Oakland puddle of the San Francisco Blue Goose has announced its meetings will be started again on either Sept. 21 or 23 with a "venison feed," depending on the "success of Nimrods."

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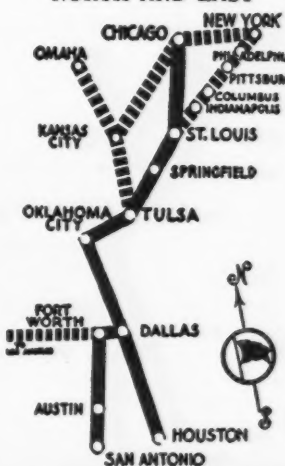
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The National Underwriter

September 20, 1934

CASUALTY AND SURETY SECTION

Page Thirty-nine

Reimbursement Is Before Companies

Plan Has Proved a Success From Accident Insurance Stand-point

MAY NOW BE EXTENDED

Companies Are Likely to Try It Out in a Limited Way for Sickness Indemnity

NEW YORK, Sept. 19.—Companies writing accident and health insurance that have been experimenting with the medical reimbursement clause are much gratified with its effectiveness on the selling side. In approaching a man who has accident insurance, the reimbursement argument is very potent and constitutes the best wedge to get him to take additional coverage. An agent who can show a man how, by buying \$1,000 medical reimbursement, he is insured against medical and hospital expense under the most trying cases, can get him to agree that it is a very splendid proposition.

Consider Extension to Health

So far the reimbursement clause has applied only to accident insurance. Some underwriters have predicted that eventually it will be extended to health insurance. Some of the industrial and quarterly payment companies have been experimenting with the health reimbursement provision in a limited way. For instance, they agree to pay the expense if the person goes to a hospital. Should the regular companies add the health medical reimbursement provision, undoubtedly they will start in a conservative way and may confine their claim paying to hospital confinement. It is stated that the Bureau of Personal Accident & Health Underwriters will have the matter up for discussion at its next meeting.

Rate Adequacy Still Uncertain

While there has been imposition on part of doctors to some extent when it is found that a person has a medical reimbursement provision, yet taken as a whole the companies are satisfied that this form of indemnity is here to stay. It is something that appeals to the public.

Whether the present rates are adequate or not, time alone will tell. Some companies have found that doctors endeavor to ascertain whether a patient has a policy providing for medical reimbursement and if so, the physician immediately gears up his charges, feeling that he can get more out of an insurance company than he can from an individual.

To Be More Experimenting

Some underwriters are inclined to feel that the rates for accident medical reimbursement are not high enough. It all depends on whether the doctors will

Illinois Now Requires N. Y. Companies to Make Deposit

RETALIATORY STEP IS TAKEN

Action, Similar to That Followed in Oklahoma, Is Blow to the Compensation Writing Companies

Compensation writing companies, domiciled in New York, were dealt a heavy blow this week under an order issued by Insurance Director Palmer requiring them to make a special deposit of securities or put up a surety bond in Illinois if they also write compensation business in Illinois. This measure is in retaliation of the New York law which gives priority to New York compensation claimants from assets of the company held in New York state. That law was recently upheld by the courts of New York in a test case initiated by the Oklahoma attorney general.

Oklahoma Has Already Acted

When that decision was handed down Oklahoma promptly retaliated by requiring New York domiciled companies to put up a special deposit in Oklahoma if they write compensation business in Oklahoma. This order was subsequently made even more drastic, New York casualty companies being required to make the special deposit if they write compensation in New York, regardless of whether they write it in Oklahoma.

Illinois Order Serious

The Illinois order is naturally more of a blow, because that is a more important state to the insurance companies than Oklahoma. Conceivably a company to which the requirement was particularly offensive might withdraw from Oklahoma but it would not be disposed to withdraw from Illinois.

Possibly the companies may take steps to have the New York law tested in the higher courts in the hope of having it knocked out so that they would not be subject to this retaliatory action in other states.

The amount of the deposit required in Illinois is that which New York requires of Illinois companies.

Cruise Reservations Now 250

About 250 reservations have been made for the joint convention of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents aboard the "Queen of Bermuda," which sails from New York Oct. 10. The expectation is that there will be at least 300 reservations when the list is closed.

more and more take advantage of patients having this indemnity and impose on the companies. There will have to be more or less experimenting with rates if health reimbursement is taken up. There is no real experience on which companies can be certain. It is agreed that if accident and health reimbursement can be worked out it will make a very interesting and successful sales factor, but there are many underwriting angles to be worked out.

Illinois Fleet Ruling Now Is Made Completely Rigid

LOOPHOLE IS ELIMINATED

Under New Regulation Only Automobiles Owned By the Assured May Be Included

The automobile fleet ruling of the Illinois insurance department has been changed, so as to exclude all cars, except those owned by the assured.

Previous rulings in Illinois have permitted the inclusion in fleets, of automobiles owned by employees, where the car was used principally in the business of the assured and where the assured contributed to its maintenance. That permission was found to create a loophole and defeated, to a considerable measure, the effectiveness of the prohibition against fictitious fleets.

Undoubtedly, there are many cases where employee owned cars might appropriately be included in the fleet coverage. In a good many concerns, the salesman or other outside employee owns his automobile, but gets a mileage or weekly allowance from the employer. It was in an attempt to permit such cars to be included in fleets that the Illinois department phrased its original ruling. However, the spirit of the original ruling apparently has not been observed and the department has concluded that the fleet ruling must be made more rigid.

The new ruling becomes effective Sept. 20. After that date a fleet may not include less than five automobiles, all of which must be owned by one individual, one partnership or one corporation, and must be used chiefly in the business of such assured. Companies are requested to acknowledge receipt of the ruling and send to the department a copy of their instructions to agents.

Starts Action for Alleged Violation of Rating Rules

NEW YORK, Sept. 19.—Superintendent Van Schaick of the New York department after investigating the underwriting practices of the Charles Agency, Inc., New York City, has asked the attorney general to bring an action against the agency and the Standard Surety & Casualty, which it represents, on the ground of alleged wilful violation of the state fire and casualty rating laws in the issuance of automobile insurance. Mr. Van Schaick also stated that the agency and the company have been careless in their underwriting, and notice was given them that continuance of such practices would be considered indicative of wilful intent to violate the company's field manual rates in any subsequent examination.

Would Weigh Negligence

The commissioners on uniformity of legislation in Canada have approved a change in the contributory negligence act which makes the liability of two negligent parties to an accident proportional to the degree to which each was at fault, with an equal division of liability where the blame cannot be accurately determined.

Two Are Promoted by the Travelers

Secretary Randall Now Vice-President; Casualty Manager Kempf, Chicago, to Home Office

LONG SERVICE REWARDED

Westerner Fills Vacancy in Compensation and Liability Department Due to Advancement

Promotion of J. W. Randall from secretary compensation and liability department to vice-president of the Travelers, in full charge of that department, and appointment of L. J. Kempf, manager of casualty lines Chicago branch office, as secretary compensation and liability department in the home office was announced by President L. E. Zacher.

Mr. Randall succeeds the late R. J. Sullivan. Mr. Randall was born in Hazardville, Conn. His first work with the Travelers was as mail clerk in 1905 and then vault clerk in the liability department.

To Home Office in 1915

In 1910 he was transferred to the field organization as special agent and in March, 1911, promoted to casualty manager of the Springfield, Mass., office. That fall he became manager in the Worcester, Mass., branch, and the following spring assistant manager in Boston. In August, 1915, he went to the home office as assistant secretary compensation and liability department.

In November, 1927, he was promoted to secretary of the department, in which position he has frequently had full responsibility for the compensation and liability business. In addition to executive and underwriting duties, he has represented the Travelers at many casualty organization meetings and is well known throughout the country.

Kempf Experienced Man

Mr. Kempf went to the Travelers in August, 1912, as special agent Travelers Indemnity in boiler lines in the Chicago branch. He became assistant manager for compensation, liability and indemnity lines in 1915, and manager casualty lines there in February, 1916. Prior to entering the Travelers' service he had been employed by the Duplex Adding Machine Company, National Bank of Commerce in St. Louis, and by the Continental Portland Cement Company.

In Chicago he demonstrated his executive and sales ability, and also attained reputation as an able underwriter.

Mr. Kempf has been active in the Illinois Insurance Federation which he served for two years as president, and in the Casualty Club of Chicago. He also served on many committees dealing with acquisition cost matters and as a delegate to the casualty acquisition cost conference.

Policyholder of Cut Rater Jailed on Unpaid Judgment

The importance of sound insurance was brought home to a prominent citizen of Chicago this week. Because the Public Indemnity, which insured his car, had failed, August F. Poehlmann, 65, found himself in a debtor's cell in the Cook county jail.

Four years ago Poehlmann's car was in a collision, which killed a youth of 15 and seriously injured a young girl. The Public Indemnity paid \$3,000 to settle for the girl's injuries and then re-insured in the International Reinsurance, which failed. The boy's father brought suit for the death of the young man and got judgment by default for \$10,000. There was a "malice" count in the complaint and under the Illinois law the plaintiff, Martin Heinsius, took out a capias for Poehlmann's imprisonment. By paying his board the plaintiff might keep Poehlmann in jail for six

months. There is a similar imprisonment law in 24 of the 48 states.

Poehlmann was once a wealthy florist and operated a green house said to be the largest in the world. He was formerly president of the closed Morton Grove Trust & Savings Bank, president of the village of Morton Grove and of the Niles township board of school trustees and a director of the Old Colony Life Insurance Company. At the age of 65 the failure of a cut rate insurance company landed him in jail. His release on bond was ordered with a hearing to come up later.

Since 1930 more than 25 auto liability companies have retired without re-insuring or providing for claims. These companies "orphaned" \$85,000,000 of casualty premiums, of which \$43,000,000 were automobile premiums. All accepted business at cut rates.

New Form of Blanket Bond Is Considered in East

NEW YORK, Sept. 19.—Resubmission to the New York department of a new blanket fidelity bond for stock brokers which will cover the hitherto unincorporated hazard of employees trading in fictitious accounts is expected shortly. The form was submitted to the department by the United States Guarantee and then withdrawn by it for further conference with the Towner Rating Bureau. The inclusion of the fictitious account coverage is considered important by stock brokers and its absence has entailed the necessity of their buying specific fidelity coverage on each of their employees if they wanted protection from this hazard. It was not learned what the additional charge will be for this feature. It is considered likely that the form will be generally adopted by other companies when it has been finally decided upon and approved.

Well Known Claim Man to Open a New Office



FORREST P. JONES

Forrest P. Jones of Fort Wayne, Ind., superintendent of the Fort Wayne claim department of the Employers Liability, is resigning. He has held the position for the last eight years, being employed previously in the Indiana-Kentucky claim department. For six years he has been superintendent of the branch claim office at Fort Wayne which services

State Authorities to Aid In Prosecution of Tailbey

PHILADELPHIA, Sept. 19.—A special representative of the attorney general of Pennsylvania will aid the prosecution at the trial in December of C. B. Tailbey, representing Scarborough & Co. of Chicago, arrested in Indiana county, Pa., last April after soliciting bank surety bond business for London Lloyds. It is understood this representative was appointed on request of Acting Commissioner Graff. Tailbey was indicted by the Indiana county grand jury and held in \$2,500 bail on charges of acting for an unauthorized insurance company and acting as agent without a license.

Commissioner Graff says it will be a calamity if Tailbey is not adequately punished. As it is understood that the Pennsylvania Bankers Association has taken an active interest in this case and participated in preparations for the defense, it is assumed that a legal battle may be looked for in December. Commissioner Graff received a formal application for license in Pennsylvania from London Lloyds many months ago but stated at the time that he would not issue license until an opinion from the attorney general's office established his legal right to do so. This opinion has not yet been given.

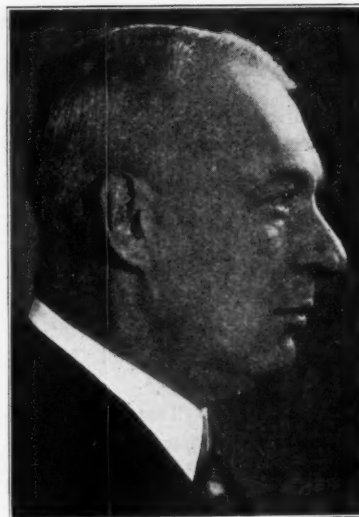
New Texas Setup

DENVER, Sept. 19.—E. L. Perry has been appointed home office supervisor for a new exclusive health and accident selling organization of the Colorado Life in Texas. Heretofore, all health and accident business in Texas has been developed through the life organization.

Mr. Perry will have headquarters in Houston and develop a state-wide organization for there. He has made an excellent record in Colorado with the Colorado Life, and opened up California for the company.

northeast Indiana. He will open a law and adjusting office at Bloomington, Ind., Oct. 1, specializing in insurance law and adjustment service for casualty companies operating in southern Indiana. He graduated from Indiana University law school in 1924, was admitted to the bar and employed by the Indianapolis law firm of Claycombe & Stump. He began his insurance career with the Travelers claim department, traveling out of Indianapolis and covering the Bedford-Bloomington limestone district. He went with the Employers Liability September, 1926. His associate in the practice of law will be Floyd C. Cook, a young man of Owen county who recently was admitted to the bar.

Surety Rater



RUTHERFORD H. TOWNER

Increase in Accidents Due to Sports Being Reported

NEW YORK, Sept. 12.—That the additional leisure afforded many under the operation of the "New Deal" presents new problems to accident companies is attested through the numerous claims being presented because of injuries suffered by sport participants. In warning against excessive activities by those who heretofore have not had opportunity to indulge in athletic relaxation to any considerable degree, the Fidelity & Casualty points out the dangers. Aside from avoidable hazards, company reports show a number of accidents caused by such freak mishaps as flying golf balls, carelessly tossed baseball bats, and poorly directed handballs.

Fairchild in Denver

DENVER, Sept. 19.—Claude Fairchild, assistant manager Casualty & Surety Executives Association, addressed the first fall meeting of the Mountain States Casualty & Surety Association, talking on business conditions and results of the "New Deal" now troubling many insurance executives.

Selects Temporary Offices

The Excess Bond Underwriters is setting up temporary offices in six cities in New York state to issue certificates of filing of applications for bonds which an applicant must show when he applies for renewal of his license. This arrangement is made to take care of an anticipated rush for licenses during the last week of this month. The headquarters are Albany, Binghamton, Buffalo, Plattsburg, Rochester and Syracuse.

Insurance Men Music Patrons

W. T. Grant, president Business Men's Assurance, has been elected president of the recently organized Conservatory of Music of Kansas City, formerly the Horner Conservatory. Cliff C. Jones of R. B. Jones & Sons is a vice-president and member of the executive committee.

Gregory Colorado Manager

E. F. Gregory has been appointed Colorado agency manager of the Colorado Life and State Reserve Mutual. The appointment will free more of the time of General Manager Rex Bixby to cooperate in the development of other states.

Towner Rating Bureau Is Finishing Quarter Century

WAS STARTED 25 YEARS AGO

Head of Organization Gives Interesting
Review of Early Days in
Surety Field

Rutherford H. Towner, head of the Towner Rating Bureau of New York City, an organization which is his personal enterprise and of which he has been the active head since its inception, on Oct. 1 will observe the 25th anniversary of his bureau. It is the only rating organization concerning itself with fidelity and surety and forgery rates. It has had many problems in the quarter century but Mr. Towner's rate-making methods have been continually approved, and during all these years he has maintained the support, encouragement and good will of his subscribers.

Mr. Towner went with the American Surety in April, 1896, as a young attorney just admitted to the bar, taking charge of bonds for receivers and assignees for the benefit of creditors. It was a critical period following the depression of 1893. The American Surety was on many bonds of receivers for failed railroads, and also had bonded receivers of many industrial corporations.

There was no federal bankruptcy act. Some bonds were huge, for there was no rule, as there is now, limiting a company to writing bonds for not more than 10 percent of the capital and surplus. There was not enough capital and surplus in the entire surety field in that day to qualify under the 10 percent rule of a million dollar bond, Mr. Towner recalls.

Rate Demoralization Existed

The rate demoralization reached its peak around 1908. "Surety underwriting had about ceased to be a respectable business and nearly all the surety companies were on the verge of bankruptcy," Mr. Towner comments. "Each company furnished its agents a tiny rate manual but the premium rates given therein were not expected to be observed. Every important bond that came along was a target for rate-cutting, and business always went to the company which quoted the lowest premium. Large bonds were sometimes given away for nothing as an inducement to obtain other business."

In 1908 the Commissioners' Convention appointed a special committee to draft recommendations for uniform laws or regulations for the business. Surety companies formed the Surety Association of America, which had no connection with rating. In the same year department heads of companies conferred and formulated uniform classifications for different bonds written, and sought to adopt a classification premium rate that would be adequate. Standardization was difficult because no two companies had the same classifications. It was practically impossible to determine adequate rates from experience data. It was impossible for companies to enter into any binding agreement or contract for charging uniform rates as in at least half of the states such an agreement would be unlawful.

It was found that it was not unlawful for a man to make surveys and compute direct premium rates therefrom for fire insurance on buildings in a continuous area, such as a city. It was not unlawful for companies to which he furnished such rates to use them in the areas covered. It was on this basis that the Towner Bureau was formed, selling its service to the companies. The companies obtained their manual from the bureau, but made no agreement with the bureau or with each other to quote manual rates.

Attitude on Non-Ownership Coverage Experience Varies

BUSINESS CAREFULLY WRITTEN

Details of Class 1 Employees' Insurance Are Required by Most of the Companies

The attitude of companies toward non-ownership liability varies considerably but the companies that are writing the business in any great volume are doing so with caution. Although the manual provides that class one employees and their locations be reported, data on the kind of cars they drive and whether or not they carry insurance is not required. However, the companies that are actively writing non-ownership are requiring this information and in addition full details about the insurance including the amount, name of company and expiration date. To properly determine the extent of the risk it is necessary to check on the insurers carrying the primary coverage for their solvency and for special type contracts that may hold up the payment of claims. Knowledge of the amount of the policy also enables the underwriter to determine the exposure from excess claims.

Changes Classification

One large bureau company classifies class 1 employees as class 2 if the primary coverage is also written with it because the non-ownership is then regarded as excess coverage only. This attitude encourages the employer-insured to get his employees to insure their cars in the company in question. Although it may seem that this practice is desirable to build up volume, it also may encourage fictitious fleets because if an agent secures the business of a large percentage of a firm's employees he is in position to shop around for excess commission fleet coverage. The requiring of full data on primary insurance gives the agent writing the non-ownership line access to other agents' expirations.

If non-ownership is to be profitably written it is necessary to see that all class 1 employees are properly classified. The recent agitation for an increase in non-ownership rates is not widespread. Those who are finding the line unprofitable place the blame on lack of primary coverage. By requiring primary insurance on class 1 employees the exposure is reduced to the fundamental need for non-ownership cover. When class 1 employees know the company has non-ownership they erroneously feel that the insurance protects them. On one large non-ownership line on which no report on primary insurance was required the insurer lost \$20,000 on one case where a salesman didn't carry individual coverage because the company had non-ownership. To guard against this contingency some companies have even gone so far as to make the employer agree to keep the existence of the non-ownership policy secret.

If the exposure on class 1 employees is carefully checked the line can be written profitably as the risk from loss due to class 2 employees is small. Although there are some outstanding cases of successful remote claims, the employee-employer relationship is difficult to uncover in most instances.

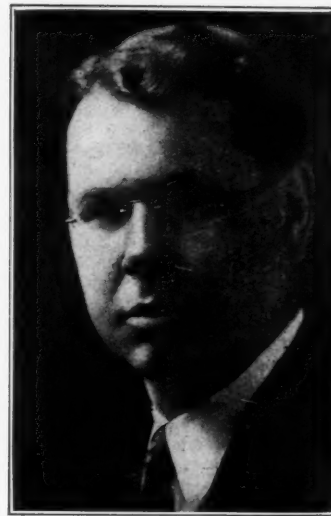
Buses Under Responsibility Law

Evidence of financial responsibility must be filed by owners of private school buses in Rhode Island under the automobile financial responsibility law, according to the state board of public roads. The limits are set at \$5,000-10,000 for bodily injury and \$1,000 property damage for vehicles carrying up to and including ten passengers. Vehicles of larger capacity have to carry limits of \$10,000-25,000 and \$2,000.

Travelers Men Are Promoted



L. J. KEMPF



J. W. RANDALL

Secretary J. W. Randall of the compensation and liability department of the Travelers was elevated to vice-president, remaining in direct charge of the department, and L. J. Kempf, casualty manager Chicago branch office, succeeds him as secretary of the department in the home office. Both are men of long experience with the Travelers.

Massachusetts Rates Made Effective as Promulgated

BOSTON, Sept. 19.—The usual hectic hearing over the promulgated tentative rates for compulsory automobile liability insurance was held here by Commissioner Brown. Attorney F. H. Chase represented the stock companies and was the only one heard who thought the new rates too low. In view of the agitation for an \$18 flat rate for the state, presented by one of the gubernatorial candidates, Mr. Chase made the interesting statement that the average premium which would be actually received for 1935 would be \$34.92, instead of \$35.34 as intended. The commissioner in his new schedule, even if accidents and injuries do not increase, voters in the 1936 election.

The hearing over, the commissioner put the new rates into effect, with practically no important changes in the schedule.

An initiative petition for legislation to establish a flat rate of \$30 under the compulsory act was filed by a group of legislators. Next 20,000 signatures will have to be secured within 90 days to bring the matter before the legislature. If rejected there it would go to the voters in the 1936 election.

Harleysville Mutual's New Plan

The Harleysville Mutual Casualty, Harleysville, Pa., is applying to the Virginia corporation commission for authority to write automobile liability and property damage in that state on a six months participating policy plan. It also wants to deviate from the prescribed rates.

Taxi Insurance Case Delayed

The Nebraska supreme court has overruled the request of the state railway commission that it advance for a speedy hearing a case from Omaha, where the trial court refused to enjoin taxicab operators from doing business unless they took out policies in companies having \$300,000 surplus and licensed in the state, a rule of the commission. The district judge said the policies held furnished adequate protection. The cabmen said that rates of companies which met commission requirements were prohibitive, and bought coverage of a mutual in Des Moines.

Employers Liability Men in Conference at Syracuse

Eighty representatives of the Employers Liability attended a conference at Syracuse, N. Y., at which General Manager S. H. Palmer and United States Manager E. C. Stone spoke. A number of department heads in the United States branch in Boston and New York City offices were present.

General Manager Palmer in discussing automobile claim frauds, which cost the Employers about \$150,000 in the Syracuse territory alone, said the company is keeping close watch over all its offices and advising agents not to have any business dealings with persons whose intentions in obtaining insurance policies are not honorable. United States Manager Stone said the officials want public support in the campaign to prevent repetition of such practices and are asking the public to report all fraudulent cases to the company's offices.

List Minnesota Federation Annual Convention Speakers

ST. PAUL, Sept. 19.—The program for the annual meeting of the Insurance Federation of Minnesota here Oct. 5 was announced this week by Clyde Helm, secretary and treasurer.

W. D. Hales, safety supervisor engineering and rating division Maryland Casualty, will speak on "The Value of Safety Service to the Insurance Agent;" O. F. Landkamer, insurance manager Pillsbury Flour Mills Co., on "Presenting the Views of the Insurance Buyer," and Garfield W. Brown, Minnesota commissioner and president of the National Convention of Insurance Commissioners, on "The Commissioners' Point of View."

No Canadian Forgery Rate Change

TORONTO, Sept. 19.—It is understood that forgery rates in Canada will not be changed to conform to a recent change made by one of the leading companies in the United States. Tariff companies in Canada will follow the rates set by the Towner Bureau, which were revised June 30.

A. E. Cobb, head of the Cobb Agency in Flint, Mich., general agent of the Northwestern National Life and divisional manager of the National Casualty, has been elected president of the Flint Exchange Club.

Wisconsin Plan for Relief Work Compensation Made

DENY TEST CASE REHEARING

Milwaukee County to Pay Minor Claims —State to Arrange for Larger Sums

MILWAUKEE, Sept. 19.—County relief workers do not come under the Wisconsin workmen's compensation insurance act and are not entitled to death or accident benefits, since relief workers cannot legally be classified as employees. The Wisconsin supreme court so held in its original decision some time ago and now has denied a rehearing of the same case. The reaffirmation came in denial of a motion for a rehearing in the case of the village of West Milwaukee against the Wisconsin industrial commission and Florence Yunker, widow of a relief worker who died in 1933 of injuries received in a cavein on a made-work relief project.

Applies to Federal Workers

The ruling of the supreme court applies also to workers employed in Wisconsin on federal emergency relief administration projects, paid by state municipalities with funds provided by the FERA and termed WERA in this state. Arrangements are now being made by state and local relief officials to furnish compensation protection to employees on federal projects in the state.

Milwaukee county officials have a plan of providing compensation for WERA employees hurt in comparatively minor accidents, but payment of death benefits and long time disability compensation is left for state officials to work out. The county board resolution adopted provides that for the first six months in disability cases the county relief department will pay WERA workers in cash their full earnings under their family relief budget at the time of the accident. Every municipality in the county may put that plan into effect on application to the county board.

Compensation payments thus will be made largely from federal relief grants to the county. The policy is to date back to the beginning of the work program and compensation payments are to be computed from the date of injury. Cash adjustments are to be made where necessary.

Scale to Be Fixed by State

In disability cases beyond six months, the county is to apply to the state industrial commission under a proposed state plan of permanent disability coverage. A scale of death benefits, based on the workers' earnings, also is to be fixed by the state. Such payments by the state also are to date back to the beginning of the program. The county's compensation plan is claimed to be more liberal than the existing compensation law because it allows full earnings to WERA workers, while the compensation law limits payment to 70 percent of wages.

To get around the supreme court ruling regarding the status of relief workers under the compensation insurance act, officials contend that the small sum paid relief workers each month for incidentals constitutes wages in excess of relief costs and thereby makes them employees, within the meaning of the state compensation act. This plan was made retroactive to provide for those killed and injured before it took effect. The FERA, which supplied relief funds, has required that some plan of compensation insurance for injured relief workers be provided. Plans for purchasing compensation insurance were recently dropped after the supreme court ruling. The new local plan of compensation was adopted in compliance with the FERA requirement. It has been estimated that with WERA workers using reasonable

(CONTINUED ON LAST PAGE)

CHANGES IN CASUALTY FIELD

Shifts by Bankers Indemnity

Wunner Assistant Secretary and Production Manager—Geene, Swett Bender in New Posts

W. H. Wunner has been appointed assistant secretary and production manager of the Bankers Indemnity. He is



W. H. WUNNER

well known in casualty circles, having started in 1903 with the old Frankfort General and serving that company for ten years in all of the departments. He had reached executive rank when he

resigned to join the Royal Indemnity in 1913 as chief accountant, being appointed comptroller of that company in 1922 and secretary in 1926. In 1932 he was transferred to the Eagle Indemnity to devote his entire time to agency work and production. He has a highly successful record in company operation as well as agency development.

Geene Assistant Manager

P. H. Geene, who has been in charge of the home office compensation and liability underwriting department of the Bankers Indemnity, has been made assistant manager of the New York City office in charge of underwriting and J. A. Swett, who has been superintendent of the home office automobile underwriting department, has been made superintendent of the home office compensation and liability department. Fred W. Bender is now superintendent of the home office automobile underwriting department.

Crist Now N. Y. Manager

F. & D. Promotes Head of Memphis Branch—Other Important Changes Are Announced

A number of important promotions in the agency department of the Fidelity & Deposit have been announced.

G. W. Crist, Jr., who has been manager at Memphis, now becomes manager of the New York branch under Vice-President W. H. Duff. He will be succeeded in Memphis by M. S. Tanner, who has been manager at Syracuse, N. Y.

C. E. Megargel goes from Indianapolis, where he has been assistant man-

ager, to Syracuse as manager of the central New York branch.

A. C. Taylor, who has been manager for several years of the southeastern branch in Atlanta, is promoted to the position of assistant manager of the agency department at the head office. He will be succeeded in Atlanta by George E. Charlan, formerly special representative of the Newark branch.

G. C. Cosway, formerly manager of the burglary and plate glass department at San Francisco, has been transferred to the home office as special representative of the agency department.

James M. Grant, assistant in the burglary and plate glass department of the National Bureau of Casualty & Surety Underwriters, has resigned to join the staff of the New York office of the Fidelity & Deposit. He will assist R. B. Spiers, manager of the burglary and plate glass department.

Mr. Grant went to the National Bureau in 1931. From 1925 to 1930, he was employed by the Fidelity & Casualty and later by the Public Indemnity Company. He was born in Scotland, but completed his education in the United States.

London Guarantee Advances Newton and Comstock

The London Guarantee & Accident has promoted F. E. Newton from statistician to office manager to succeed the late H. W. Kelley. W. P. Comstock will succeed Mr. Newton as statistician. Mr. Newton started his insurance career in 1914 and entered the employ of the London Guarantee & Accident in 1926 as assistant statistician, being advanced to statistician in 1930.

Mr. Comstock has had many years of experience in statistical work, having entered the employ of the company about 10 years ago. He is a graduate of the University of Chicago and majored in mathematics. Mr. Comstock is a fellow

of the Casualty Actuarial Society and has served on various committees of the National Bureau and National Council.

Carey Joins Black Organization

R. Lee Black announces the appointment of Lynn Carey as manager of the Sioux City, Ia., branch of the R. Lee Black & Co., independent adjusters. Mr. Carey is a graduate of Creighton University law school and has had considerable experience in the type of claim work he has now taken up. He succeeds J. R. Callahan, former manager. Black & Co. handle all types of liability, compensation and surety claims as well as fire and theft. The Sioux City office is in the Insurance building while the head office is in the Securities building, Des Moines.

Stratton and Jansen Advanced

G. J. Stratton has been named resident manager of the metropolitan department of the Hartford Accident in San Francisco, following the resignation of Charles Page to become executive vice-president and general manager of the San Francisco Chamber of Commerce. H. L. Jansen, since 1926 superintendent of the bonding department of the office, will become assistant manager.

Will Represent Casualty Company

Van Duncan of Indianapolis, who has been appointed special agent in Indiana for the Western & Southern Fire, will also handle the Western & Southern Indemnity, devoting the majority of his time to the indemnity company.

Liberty Takes Standard Accident

The Liberty Fire of Louisville, which operates a large agency there, has been appointed general agent of the Standard Accident for Louisville and northern Kentucky. The Liberty formerly acted as general agent for the Globe Indemnity.

birds of a feather

The character and standing of a company is measured by the calibre of its agents . . . Good agents have good companies.

This may be the reason why so many of the outstanding casualty agents of the country represent the "London Guarantee".

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

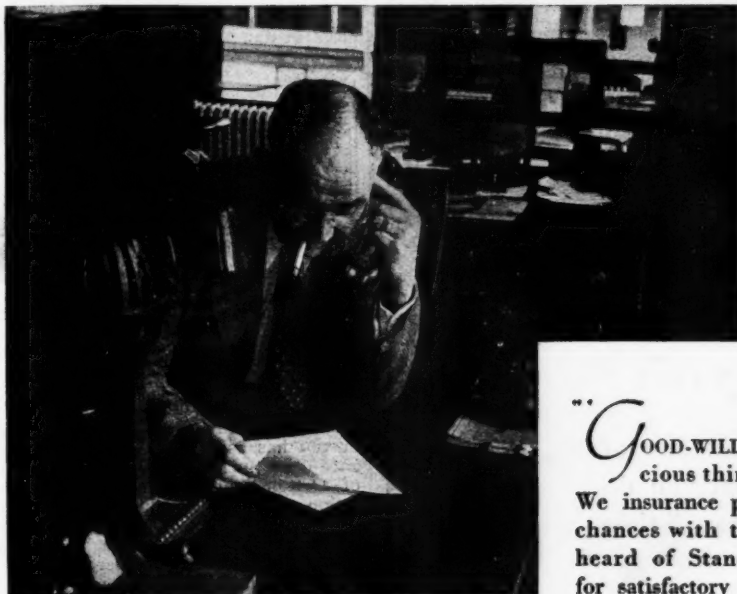
J. M. HAINES, U. S. Manager

55 FIFTH AVE., NEW YORK

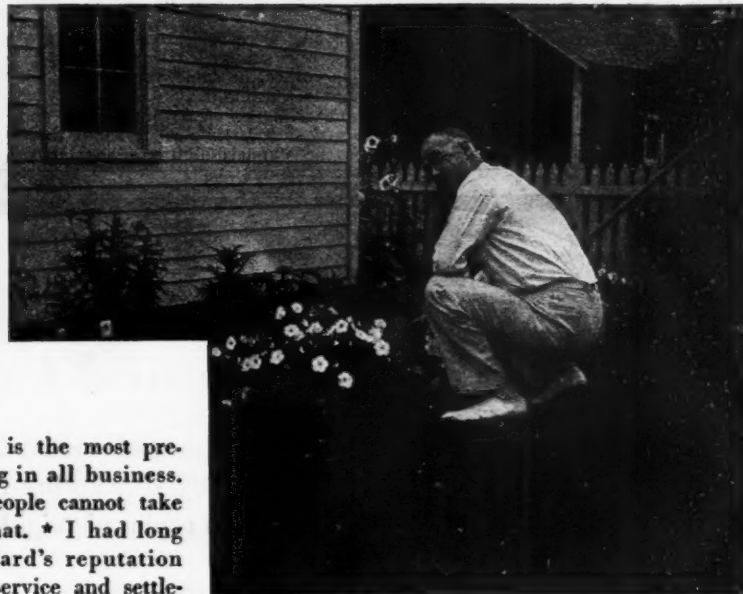
I'm **SOLD** on Standard Accident

SAYS PAST PRESIDENT OF NATIONAL ASSOCIATION

★ *An interview with Clyde B. Smith of Lansing* ★



The candid camera caught Clyde Smith in the middle of his greatest hobby—work. Here he is selling a policy by 'phone—premium of \$29.00. Smith selected Standard more than 20 years ago and Standard and Smith have been firm friends ever since.



Clyde Smith keeps that sylph-like figure with exercise in his garden—and cultivates not only a lot of good prospects with Standard advertising, but likewise, a lot of special flowers in his back yard.

"'GOOD-WILL' is the most precious thing in all business. We insurance people cannot take chances with that. ★ I had long heard of Standard's reputation for satisfactory service and settlements—even way back in 1914—and I also knew that hundreds of men and women agents placed their faith and their future good-will behind the policies they sold for Standard. ★ So, after considering all the facts, I took on the Standard and have been mighty well pleased ever since."

★ ★ ★
Standard attracts and holds prominent agents like Clyde Smith, Past President of the National Association of Insurance Agents, because Standard is progressive . . . alert to the needs of its agents. You're in good company when you represent Standard.

FOR 50 YEARS
A GOOD COMPANY
FOR
GOOD AGENTS



Clyde Smith seems to know about every other person he meets on any street. Folks just naturally meet Clyde and call him "friend." His office walls are covered with photos of people from all walks of life. They are another hobby of his.



"Funny someone hasn't thought of it before," said Clyde Smith, as he looked over Standard's new 50th Anniversary Sales Kit, with F. Hackett, Standard special agent. "Believe me, this is going to mean more business for every Standard Agent who uses it."

STANDARD ACCIDENT INSURANCE COMPANY, Detroit

ACCIDENT AND HEALTH FIELD

National Lineup Completed

Final Accident & Health Association Appointments Are Announced by President Sommer

The official personnel of the National Accident & Health Association was completed this week with the announcement by President Armand Sommer of the appointment of two more regional vice-presidents, E. W. Welton of Louisville and E. A. Kenney of Philadelphia. Mr. Welton is general agent of the Business Men's Assurance in charge of Kentucky and is president of the Louisville Accident & Health Club. Mr. Kenney is manager of the accident and health department of the United States Fidelity & Guaranty in Philadelphia and ever since the affiliation of the Philadelphia club has been a leader in national association affairs. He has originated several of its most constructive plans.

Regional vice-presidents already an-

nounced include Fred W. Timby, Preferred Accident, San Francisco; Lyle Stephenson, Continental Casualty, Kansas City; Charles H. Davis, Pacific Mutual Life, Chicago; J. P. Collins, National Casualty, Detroit; E. H. Mueller, Pacific Mutual Life, Milwaukee, and W. A. Hopkins, Provident Life & Accident, Pittsburgh.

Bid on Detroit Teachers' Group

DETROIT, Sept. 19.—Bids for group accident and health insurance on the Detroit Teachers Association were found to be practically identical and the insurance board has been unable to reach a decision. The successful bidder will be announced in a few days. The business was carried last year by the Michigan Life.

The bids were submitted on two proposals, one similar to last year's plan and the other the same except for a flat amount of hospitalization indemnity not varying with the weekly indemnity and a special surgical allowance about three times the standard figure. The Detroit

teachers' group is one of the largest in the country, 4,500 out of a possible 7,100 carrying the coverage last year.

Hold Up Health Service Plan

BATTLE CREEK, MICH., Sept. 19.—The mutual health insurance plan of the Michigan State Medical Society will be held in abeyance until the results of the federal survey of medical economics are available, it was decided at the annual convention here. Dr. W. H. Marshall of Flint is sponsoring the plan, which calls for the formation of the American Mutual Health Service to supply medical attention to families of workers earning \$1,500 per year or less at a suggested annual fee of \$27 per family, subject to revision on the basis of experience.

Discuss Educational Plans

LOS ANGELES, Sept. 19.—The semi-monthly luncheon-meeting of the Accident & Health Managers Club of Los Angeles, with President Earl W. McGary, Northern Life, presiding, was devoted mainly to discussion of the best method of sponsoring a national educational program for accident and health clubs, a task assigned to this club by the National Accident & Health Associa-

tion. W. E. Lebbey, chairman of the educational committee of the national association, told of his investigation of the possibilities of the subject by correspondence and contact with practically every source of information along this line.

G. M. McKee, Pacific Mutual Life, president San Francisco Accident & Health Managers Club, outlined the experience of the San Francisco club in handling an educational program. Mr. McKee formerly resided in Los Angeles and was an active member of this club.

Feldman New York General Agent

The United Casualty has appointed Arnold J. Feldman as general agent in New York City with office at 1007 Broadway. He is well known in the accident and health field and was formerly general agent of the Massachusetts Accident at Johnstown, N. Y.

The Great Southern Life, Houston, Tex., has been licensed to write life, accident and health in California. E. C. Brandenburg, Russ building, San Francisco, has been named California general agent.

Workmen's Compensation

Ask Higher Wisconsin Rates

Level Increase of 5.6 Percent and 8.8 Percent Contingent Provision Sought by Bureau

MADISON, WIS., Sept. 19.—The Wisconsin compensation and inspection bureau has asked the Wisconsin insurance department for an average increase of 14.4 percent in workmen's compensation rates. A level increase averaging 5.6 percent is asked as well as a contingent factor of 5 points which means an actual increase of 8.8 percent.

The adoption of a loss constant proposal is sought on risks on which the premium is less than \$400.

The proposal to increase the premium schedules suggested division of the hazards into groups with the increases to be adjusted on a group basis. The paragraph in the petition on this premium said:

"That the rate level of the state as a whole shall be keyed to the level of 1931-32 policy year. Differences in industry groups be recognized by three separate industry group rate levels consisting of (a) manufacturing, (b) contracting and (c), all others, based upon policy years 1930-31-32 adjusted to the level of the latest two years which produces an average increase of (a) manufacturing 6.6 percent, (b) contracting 11.4 percent, and (c) all others 3.7 percent, making for a net average increase over all groups of 5.6 percent."

An increase asked by the companies a year ago but placed in less definite form was denied by the insurance department.

The premiums for the workmen's compensation hazard amount to about \$4,100,000 annually and the increases, if granted, will mean an increase of about \$600,000 in insurance payments.

Hearings will be called in the near future on the petition of the insurance companies, probably in Milwaukee.

Meeting for Plaintiffs' Attorneys

The Illinois industrial commission is preparing to call another meeting in about a week on the occupational disease situation. Those attending that session will be largely attorneys who represent the plaintiffs. At the meeting two weeks ago the insurance company and employer interests were represented. That group expressed approval of the plan to take a test case to the supreme court in an attempt to get a determination of whether silicosis is regarded as compensable under the compensation act.

Has this happened to you?

When plate glass which you insured breaks and one of your best clients calls, frantically demanding that you do something about having his glass replaced "right away" then

Dial
MOHAWK 1100

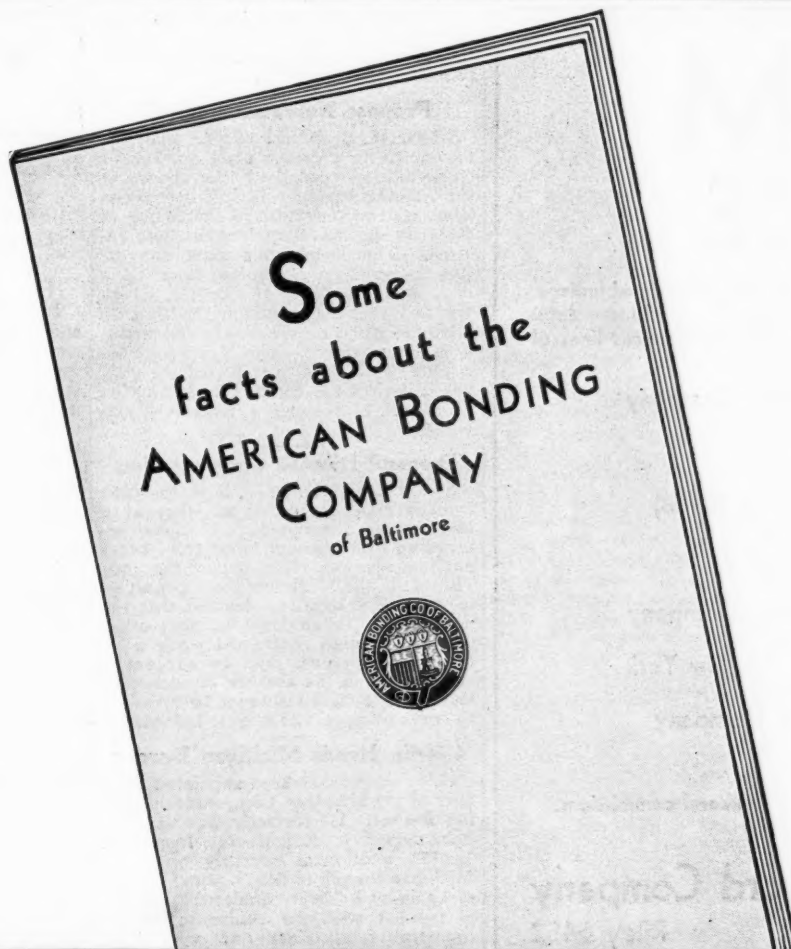
Tell us your troubles and cease to worry.
We will have that glass replaced so promptly
that your client will consider you about the best
insurance man in the world.

We specialize in prompt plate glass replacement service which
is so essential to insurance men in keeping their plate glass business
on the books.

Remember American Glass for plate glass.

AMERICAN GLASS CO.

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CHICAGO



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General Accident



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The same question will be asked of the meeting of plaintiffs' attorneys and if they desire such action, a test case will probably be formulated.

Propose Nebraska Council

LINCOLN, NEB., Sept. 19.—The movement to create a state workmen's compensation council to take charge of the administration of compensation laws, which came close to succeeding at the 1933 legislative session, has been revised. The Democratic state convention adopted a resolution favoring a commission made up of a doctor, a lawyer and one representative of labor to take the place of the single compensation commissioner. The Nebraska Federation of Labor also endorsed the plan, but it desires the commissioner retained as a part of the law enforcement machinery.

Demand Disease Compensation

SOUTH BEND, IND., Sept. 19.—The Indiana state federation of labor at a meeting here adopted resolutions demanding protection of labor from occupational disease risks under the provisions of the workmen's compensation laws. The resolutions demand that the present law be amended so that occupational diseases contracted while a laborer is employed, shall be adequately covered; or in the absence of such provisions, that state insurance be provided to cover occupational disease hazards.

Cowlin Heads Michigan Bureau

A. S. Cowlin has been appointed manager of the Michigan Compensation Rating Bureau. He formerly was with the Massachusetts Rating & Inspection Bureau and more recently with the Michigan branch of the National Bureau of Casualty & Surety Underwriters. He is familiar with the compensation administrative situation and with local conditions in Michigan. The bureau, an administrative branch of the National Council on Compensation Insurance, will be located at 900 United Artists building, Detroit. This bureau is assuming jurisdiction over all Michigan compensation insurance effective on or after Oct. 1.

Minnesota Raise Unopposed

ST. PAUL, Sept. 19.—Thus far there have been no protests filed against the proposed increase in compensation insurance rates in Minnesota. Building contractors have been studying the new schedules, which call for an average increase of 14½ percent, but as yet they have not indicated what their stand will be. The hearing comes up Oct. 4 before the compensation insurance board.

Launch Safety Campaign

SAN FRANCISCO, Sept. 19.—Under the direction of R. L. Mannon of the Fireman's Fund Indemnity a luncheon was held Monday launching the first city-wide traffic safety campaign between police districts. B. G. Wills, vice-president Fireman's Fund, has donated the prize trophy.

Fidelity-Surety Activities

Promote More Associations

**Philadelphia Surety Men Would Have
Local Organizations in All Important
Cities of State**

PHILADELPHIA, Sept. 19.—In an endeavor to create a closer tieup of surety men throughout the state, the Surety Underwriters Association of Philadelphia will attempt to arouse interest in larger cities of Pennsylvania tending towards the formation of similar associations in those cities. The association, in checking up, found only one similar association in Pennsylvania, that in Pittsburgh.

The Philadelphia association plans to make this one of the main objectives of its new season which opened last week with a luncheon meeting at the Bellevue-Stratford. J. D. Latham, Aetna Casualty, president of the association, has been named as a temporary committee of one to investigate the situation and attempt to arouse interest in the subject throughout the state. The Philadelphia group feels that cities such as Scranton, Erie and Reading will be interested, together with Harrisburg, in an association of surety men designed for the betterment of business and the discussion of mutual problems.

It is felt that it will be an easy matter to organize a surety association in Harrisburg, inasmuch as many former members of the Philadelphia association are now located in the state capital. Every effort will be made to have the Harrisburg organization organized and functioning before the first of the year when the legislature convenes.

Still "Off" of Deposit Fund

**Milwaukee Continues to Put Money in
Deposit Boxes—Claim Fund
Technically Insolvent**

MILWAUKEE, Sept. 19.—Considerable interest has been aroused among Milwaukee surety men, as among surety agents and companies in other parts of the country, in the action of Milwaukee city officials in placing funds for bond payments due next year in safety deposit boxes, instead of keeping them on deposit and paying 2 per cent on daily balances to the state board of public deposits, which provides state fund insurance on public deposits in Wisconsin banks.

When the Chicago federal reserve bank was asked to supply \$2,500,000 in large bills to be placed in safety deposit boxes by the city, the question was raised how the money was to be used. When informed, the federal reserve re-

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fused to send the large bills, holding that the proposed action would constitute hoarding and violate a presidential executive order of March 10, 1933. City Attorney Raskin appealed to Secretary Morgenthau, whose reply supported the opinion of the counsel for the Chicago federal reserve bank, but left the case open by informing Mr. Raskin that he could submit a brief conveying further arguments on the subject. The city treasurer is continuing to place city funds in cash in safety deposit boxes and more than \$1,200,000 of the total sum has been laid away in small amounts.

The board of public deposits has been unable to meet claims with any degree of promptness. It is said to be technically insolvent, since it owes cities, counties, villages, school districts and other governmental units more than \$8,000,000, which these units had on deposit in banks that were either closed or placed on a moratorium basis. The state fund also owes the RFC \$2,370,000 on a loan at 4 per cent. Records of the board are not open to the public, but it was stated that the RFC loans and interest of 2 per cent on public deposits have made possible for the board to pay off 55 per cent of the claims, which approximated \$19,000,000 at the peak of the bank failures. The fund is expected to meet the payments when the banking situation clears up, but has been unable to meet the extraordinary demand made on it so far.

Now Formulating Test Case

The Surety Association of America and the Surety Association of Chicago are now engaged in formulating a test case to be taken to the Illinois supreme court, in order to get a decision on house bills 164 and 165, which were passed at the last session of the Illinois legislature. These are the laws which relieve the surety of depository liability on county treasurers and county collectors.

Oklahoma Settlement Approved

OKLAHOMA CITY, Sept. 19.—Federal Judge Vaught has approved a settlement of \$65,000 between the American Surety and B. F. Johnson, receiver for the Shawnee National Bank, Shawnee, Okla. In the order several former officials of the bank were listed by the judge as having participated in or benefited by the "defalcations and dishonest acts."

The settlement represented a reduction from a liability originally set at \$72,474, for which Judge Vaught found the company liable. The comptroller of currency has instructed Mr. Johnson to make the settlement as being in best interests of creditors of the insolvent bank.

N. D. Fund Pays Out \$60,000

BISMARCK, N. D., Sept. 19.—The biennial report of Commissioner S. A. Olsness reveals embezzlers and defaulters in positions of trust in North Dakota cost the state more than \$60,000 in 1933. Mr. Olsness' report accompanied that of F. E. Tunell, manager of the state bonding fund. Claims totaling \$84,229 alleging embezzlement of funds by public officials were filed, but adjustment brought the final payment figure down to \$60,640.

Claims of \$301,116 because of negligence and error on the part of various public officers were filed in 1933, but no payment has been made on them.

Since the fund began in 1919, there has been a total loss to the state, by embezzling or default, of \$165,649. Claims filed total \$445,937.

Ohio Association's Speakers

Speakers at the September meeting of the Ohio Association of Casualty & Surety Managers in Columbus were R. M. Knepper of Columbus and Francis Poulson of Cleveland. C. J. Brown, Republican candidate for governor, will speak at the October meeting.

NEWS OF THE COMPANIES

Maryland Has New Statement

Setup Is Shown as of Aug. 31, Reflecting the \$10,000,000 Received From the R. F. C.

The Maryland Casualty has issued a statement as of Aug. 31, giving effect to the new setup after having received \$10,000,000 of new money from the Reconstruction Finance Corporation by way of preferred stock purchase. Bonds are carried at amortized value, listed stocks at convention values and stocks of subsidiary concerns at appraised values. Capital at that time amounted to \$2,644,576, net surplus \$4,660,929, contingency reserve \$1,290,712, special voluntary reserve \$500,000, premium reserve \$9,899,981, loss reserve \$15,897,108. Total assets amounted to \$37,375,065. The contingency reserve is the full difference between convention and market values.

Assets are divided: Cash \$3,102,309; United States government securities \$9,590,374; other bonds and stocks \$13,814,195; premiums in course of collec-

tion less than 90 days \$4,416,210; real estate \$3,471,255; mortgage loans \$1,147,126; collateral loans \$414,243; reinsured losses due from other companies \$481,634; salvage recoverable \$771,082, and interest accrued \$166,631.

May Extend Ohio Activities

M. H. Rubins, Ohio state agent of the Union of Indiana, has been at the home office of the company in Indianapolis for several days, discussing with officials of the company plans for extending its activities in Ohio. It has been operating in that state for six months and is highly pleased with results there.

Transfer of Assets Denied

COLUMBUS, Sept. 19.—The common pleas court here heard arguments on a motion filed by Superintendent Van Schaick of New York, seeking to have all Ohio assets of and Ohio claims against the old National Surety transferred to New York for liquidation. The court held it would be unwise to issue such an order at this time and directed that all Ohio claims be filed by Feb. 15,

after which time a motion for transfer to New York will again be considered. C. F. Moran of Cleveland is ancillary receiver for Ohio.

House Company Operating

The Associated Casualty, which was organized earlier this year in Houston, is reported to be in operation now. This was organized by people connected with the South Texas Cotton Oil Company and the report is that the company will not operate generally. It will write compensation insurance for that oil company. Capital is reported to be \$100,000. W. A. Sherman is president, R. F. Crowe, chairman, A. K. Schwartz, vice-president, and W. T. Martin, assistant secretary.

Celebrate Anniversary

DETROIT, Sept. 19.—In celebration of its 40th anniversary the National Casualty has notified its field force of a sales contest running until Dec. 20 in which every agent who writes \$100 or more in new premiums will qualify for a prize according to premium volume.

Globe Casualty Extends Field

The Globe Casualty of Columbus, O., has changed its charter so that it may now write insurance against bodily in-

stable



Continental, founded in 1897, has stood impregnable against the many financial and economic disturbances which have swept the country.

It has grown steadily, becoming one of the foremost multiple line insurance organizations now operating. It is stable, firmly rooted, and its DURABILITY is unquestioned.

In view of past and present business conditions, the value of a Continental connection is obvious.

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COMPANY || COMPANY
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jury or death by accident and disability by sickness, and loss, expense and liability resulting from ownership, maintenance or use of any automobile or other vehicle, but no policy shall be issued against hazard by fire alone.

Directors of the Travelers at their regular monthly meeting voted a dividend of \$4 per share payable Oct. 1 to stockholders of record Sept. 17. This is the third \$4 dividend voted this year.

Repair Guaranty Is Insurance

LANSING, MICH., Sept. 12.—Guarantee of repairs to an automobile damaged in an accident constitutes a casualty insurance contract and may not be issued by an automobile "service" organization unless it complies with the insurance laws, according to an opinion of the Michigan attorney general's department.

Start Liability Forum

NEW YORK, Sept. 19.—In answer to many requests for a public liability forum for insurance men, interested underwriters representing Bureau companies will meet Sept. 25 at 100 William street to discuss plans for a series of such forums, and to decide on the formation of a permanent organization for the purpose. F. B. Reilly, manager New York rating office, will discuss rules and rates for O. L. & T. insurance as found in the new liability manual. John S. Turn, vice-president Aetna Casualty & Surety, will welcome the participants. B. W. Griffith, Ocean Accident & Guarantee, is in charge of arrangements.

Indianapolis Club Opens Season

The Casualty & Surety Club of Indianapolis held its opening luncheon meeting for the fall season on Monday. Plans for the year were discussed.

Trucking Underwriters, Inc., 508 Euclid Avenue building, Cleveland, has been incorporated by E. G. Halter, H. I. Fox and L. A. Meilander. It will write all forms of insurance, but especially those on trucking and hauling.

CASUALTY PERSONALS

The Aetna Casualty participated in the publicity attending the presentation at the world fair in Chicago of the millionth Plymouth automobile to Mrs. Ethel Miller of Turlock, Cal. Mayor Kelly of Chicago and Governor Horner of Illinois were on hand for the ceremony. Before leaving California, Mrs. Miller had arranged to purchase a comprehensive automobile policy from the Aetna Casualty and the contract was delivered to her at the same time she was presented with the Plymouth. The policy was personally presented by Julius Belluomini of the Chicago branch office.

George L. Radcliffe, vice-president Fidelity & Deposit, won the Democratic nomination for United States Senator in the Maryland primary. He established a record in Maryland politics when he received the electoral vote of every county and Baltimore city. There are 149 votes in the state convention and Governor Ritchie, who ran for reelection on the same ticket, received only 106 votes. It was the first time Mr. Radcliffe ever ran for political office, which makes his victory all the more remarkable.

The Aetna Casualty & Surety has a striking exhibit this week at the convention of the National Association of Insurance Agents at Grand Rapids. Aside from the impressive, large posters, a "little theater" seating 50 people was improvised on the mezzanine floor in which its film, "Saving Seconds," was exhibited, illustrating automobile accidents and setting forth safety lessons. H. C. Pulver of the publicity department is in immediate charge.

J. W. Rausch, manager of the boiler, engine, fly-wheel and electrical machinery inspection and claims division of the Maryland Casualty, has just completed 35 years' service with the company. He went to the Maryland Casualty from the Union Casualty of St. Louis in 1899 as

superintendent of the inspection division. He was placed in charge of the boiler, elevator and liability inspections, and a little later boiler underwriting was added to his duties. Sprinkler and water damage insurance was later transferred to Mr. Rausch's jurisdiction. When the company started to write fly-wheel, engine and electrical machinery, those lines were added to his department.

He is a mechanical engineer of wide experience, a member of the American Society of Mechanical Engineers, and of the Casualty Council of the Underwriters' Laboratories.

J. P. Collins, agency supervisor of the National Casualty, is making a four weeks' trip through the east and south, visiting Boston, New York, Newark, Hartford, Baltimore, Washington, Winston-Salem, Roanoke, Columbia and other centers.

P. F. Biglin, secretary-treasurer of the Lloyds Casualty until its retirement from the field last year and subsequently connected with the Excess of New York, died at his home in Brooklyn at the age of 52. Mr. Biglin was especially well posted as to plate glass insurance and was widely known to underwriters in that line.

Arnold S. Kirchoff, manager in New Orleans for the Fidelity & Deposit, is spending his vacation in Chicago. He was formerly connected with the Illinois branch of the F. & D. in Chicago.

George W. Tramel, manager for Aetna Casualty in Chicago, is now back in the harness, having recovered from the effects of an automobile accident July 4. He spent the summer recuperating at his place in Charlevoix, Mich. Before returning home, he entertained a group of office brokers over the weekend in Charlevoix. They were the winners of a production contest that had been in progress about two months.

E. W. Brown of Oklahoma City, former attorney for the Southern Surety, has been appointed county attorney of Oklahoma county. For several years he was at the home office, handling cases in Iowa, Oklahoma, Texas, Arizona and other states. For the last two years he has been in private practice in Oklahoma City.

J. Morton Morris, vice-president of the Fidelity & Deposit in charge of the Louisville division, has returned to Louisville after several weeks spent in Europe, with Mrs. Morris.

J. G. Owen Is Elevated

John G. Owen has been elected vice-president and a director of the Sam L. Casey company, managers of the Central Mutual Casualty of Kansas City. For 14 years he was with the Utilities Indemnity Exchange of St. Louis, the last seven years of which he was secretary and a director of Lynton T. Block & Co., managers of the exchange. He was the first manager of the Inter-Insurance Exchange of the Automobile Club of Missouri and joined the staff of Sam L. Casey Company early in 1932.

WANTED

Man, graduate lawyer, with claim and legal experience in Illinois, by Chicago branch of large casualty company. State age, experience, salary expected. Replies will be treated confidentially.

Address Y-100, The National Underwriter

WANTED

Experienced Casualty and Fire Investigator and Adjuster. Man with legal training preferred. Address Z-1, The National Underwriter.

Wisconsin Plan for Relief Work Compensation Made

(CONTINUED FROM PAGE 41)

care, compensation payments will not exceed \$100,000 a year in the county.

County and state officials have acted to put the new WERA compensation plan into immediate effect and reports on injury cases are being checked up to determine amounts to be paid. The city of Milwaukee will accept the county's plan when it becomes operative. To date the city has handled its own cases and is now paying compensation to 17 relief workers under the WERA.

Harry McLogan, Milwaukee, member of the Wisconsin industrial commission, and Harry Nelson, Madison, superintendent of the compensation division of the commission, have gone to Washington to clear up compensation problems in long-time or permanent disability cases and deaths.

Federal relief officials have approved a tentative plan to extend workmen's compensation insurance to some 60,000 FERA workers in Wisconsin. The plan is said to be subject to reversal of the supreme court's decision that relief workers are not entitled to compensation insurance benefits. The system contemplates full medical and hospitalization aid, injury benefits equalling wages received, and death benefits equal to four times the annual wages earned by the workers, plus an additional allowance for children under 15, and a funeral allowance not to exceed \$200. All benefits under the state plan would be in accordance with provisions of the compensation law. An insurance fund equivalent to approximately \$2.15 per \$100 of payroll will be created to pay indemnities by transfer of funds from relief appropriations made by the last legislature. The industrial commission is working on the plan and Attorney General James Finnegan has rendered an opinion that more than \$800,000 in 1933 relief taxes available could be used.

How Affiliated Casualty Companies Have Advantage

A considerable advantage is enjoyed in states that require special deposits by groups which include two or more casualty-surety companies. In such organizations, one of the surety companies is able to post a bond for the other, in lieu of depositing securities, and the second can return the favor for the first. Neither, of course, is faced with the necessity of putting up collateral with the other.

Some of the premier casualty companies are able to get bonds of this nature from competitors, without being required to put up collateral, but many of the companies are unable to get a bond without meeting that requirement. Therefore, their situation is not so much different than if they had deposited the securities directly with the state.

Supports Maryland Tercentenary

The Maryland Casualty is participating actively in the tercentenary of the founding of the state of Maryland, by attaching to all letters going out from the head office, pictures illustrating the celebration. The seal of the Maryland Casualty is shown on the sticker, mounted on a base appropriate to the occasion. The Maryland Casualty ties in most suitably with this occasion, because part of the company's seal is the quartered shield from the coat of arms of Leonard Calvert, who with his followers crossed the Atlantic in two small ships to the shores of Chesapeake Bay. The sticker is done in three colors, red, gold and black.

Opens Omaha Adjusting Office

The Casualty Adjusting Company has been organized in Omaha by H. H. Snodgrass with offices in the Keeline building.

Thirty-Two Years—Through Thick and Thin

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1. Appraisal Definitions
2. Appraisal Systems and Their Uses
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 - One story dwellings (9 types); One-and-one-half story dwellings (8); Two story dwellings (15); Apartment buildings (10); Stores (9); Department Stores (5); Hotels (9); Hospitals (5); Office buildings (9); Theatre buildings (7); Churches (6); Factory buildings (5); Factory offices; Shop and storage buildings; Lumber storage shed; Factories or warehouses (6); Miscellaneous buildings.
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13. Land Improvements
14. Real Estate Merchandising

APPENDIX—Nomenclature; Construction Requirements



RESIDENCE (GOOD)—TWO STORY



A type of building generally found in the better grade of residential sections, built from good architectural plans by competent contractors; better than average grade of materials used throughout. Price Range, \$6,000.00 to \$15,000.00

Specifications

EXCAVATION Excavated to 75% of foundation; earth spread over lot and around building.

FOUNDATION 17-in. concrete block or poured concrete walls with ample footings; water proofed and tiled.

WALLS

Base 1 ¾-in. lap siding; cypress or red wood, painted three coats lead and oil; stained ¾-in. butt shingles; or cement stucco on metal lath. 2-in. ply felt insulation on 1-in. sheathing. 2-in.x4-in. studing, 16-in. on center.

Base 2 4-in. face brick on 8-in. tile or 4-in. common brick; plastered on furred metal lath interior, sandstone or native stone veneer on main entrance.

Base 3 Cement stucco on 12-in. tile or 8-in. common brick; plastered on furred metal lath interior, sandstone or native stone veneer on main entrance.

Base 4 Stone facing with brick or tile backing; plaster on furred metal lath interior.

FLOORS Basement, cement floor. First floor, 1-in. clear oak scribed and varnished over 1-in. sub-floor. Second floor, No 2 grade oak.

ROOF ½-in. butt stained wood shingles. Crew-Dipt or equal, or super-giant composition shingles. Hip or colonial construction. 2-in.x6-in. rafters, 16-in. on center.

INTERIOR FINISH Plaster on metal lath or plaster board base; walls tinted, or good grade of paper. Birch, gum or oak doors and trim. Plenty of cupboard space, built-in kitchen and pantry cabinets. Good brick or tile mantel.

SERVICE IMPROVEMENTS Low pressure steam heating system. One set vitreous china and enameled iron plumbing fixtures plus extra labor, grade B; tile floor and wainscoting in bathroom and lavatory. Electric lights, scrubbed wiring, good grade of fixtures, average 5 outlets per room.

PORCHES, see Detail Section on Porches.

FOR ADDITIONAL IMPROVEMENTS, see section for Individual Costs

(RESIDENCE—GOOD—2 STORY, Cont'd)

Sq. Ft. Area	Cubic Foot Base Prices (Price per cubic foot of volume at Boeckh Index No. 100)			
	Base 1 FRAME	Base 2 FACE BRICK	Base 3 STONE VENEER	Base 4 STUCCO ON MASONRY
600	374	438	452	412
700	352	411	424	387
800	330	384	396	363
900	315	366	375	345
1,000	300	348	355	325
1,200	286	330	336	312
1,400	273	313	319	299
1,600	263	301	306	286
1,800	255	291	296	277
2,000	248	283	287	270

Corrective Factors for Structural Deviations

NOTE: Correct base prices by charges given below:

BASEMENT: No basement or partial basement, allow six feet in hypothetical height measurement for unexcavated portion in calculating volume.
Common brick walls, add 5% to base price.
Fieldstone walls, add 6% to base price.

WALLS: ¾-in. Celotex insulation, add to base price. .001

FLOORS: Steel joists, add to base price. .001

ROOF: Composition shingles, medium, deduct from base price. —.002
State shingles, light, add to base price. .002
State shingle, medium, add to base price. .004
State shingles, heavy natural, add to base price. .011
Cut up construction, add to base price. .010
No gutters and downspouts, deduct from base price. —.008

INTERIOR FINISH: Hardwood for trim and doors, add to base price. .012

Steel sash windows, add to base price. .017

Additional built-in features, see special section.

SERVICE IMPROVEMENTS: Hot air heating, deduct per room. \$40.00

Vapor or hot water add per room. 10.00

Additional plumbing fixtures, see special section.

ATTIC: Floor of yellow pine and ordinary stairway, add to base price. 55.00

Dormer windows, add per window. .009

FINISHED ROOMS: In basement, add per room. 70.00

In attic, add per 1 room. 200.00

per 2 rooms. 310.00

GARAGES: Built in, add per 1 car. 280.00

per 2 cars. 460.00

This New Manual Will Give You Current Local Reproduction Cost of Any Building

LOCAL AGENTS, field men and company engineering departments will find that the impartial, scientific figures of BOECKH'S MANUAL OF APPRAISALS establish an accurate local reproduction valuation on a property which is satisfactory for every insurance purpose.

The MANUAL is simple to use, enabling any one familiar with building construction to do as reliable work as a trained appraiser—and in less time. With its accompanying Appraisal Report work sheet, inspection is merely a matter of measuring and checking. The rest of the work is simply and easily done in the office by referring to the MANUAL figures. Appraisals of ordinary six and seven room houses are made in an hour or less.

3369 Cubic Foot Cost Figures

For appraising buildings the MANUAL gives Basic Cubic Foot Costs on 97 different types of buildings; from 3 to 6 kinds of construction for each type of building; and from 15 to 120 Cubic Foot Costs for each type, clas-

sified according to ground area and kind of construction.

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Perhaps the most remarkable feature is the fact that the cost figures do not become obsolete. The Boeckh Local Index Number makes it a mat-

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We offer you a rapid "return-mail" service in supplying these Index Numbers, at \$1 per report. You merely fill in the local data requested on the questionnaire form which will come with your copy of the MANUAL.

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We suggest that you look over the MANUAL. That's the best way to find out whether or not the things we say about it here will apply to your particular requirements. Try it out on your own home. It won't cost you even a penny to do this, for if you are not satisfied completely, you may return the MANUAL. Use the coupon.

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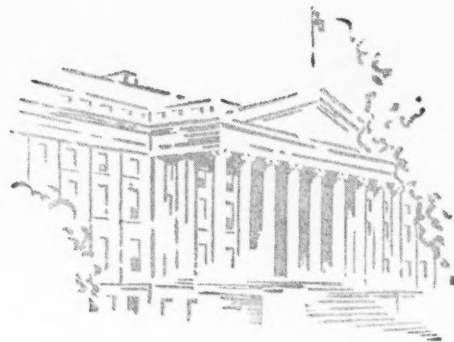
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THE Government Service Office of the U. S. F. & G.
—at Washington, D. C.—is prepared to send to those interested in selling their products to the United States Government or in bidding on United States Government building projects full information sufficiently in advance to allow entering bids. Where requested the results of the contract-letting will also be gladly sent.

Brokers as well as U. S. F. & G. agents are invited to furnish the nearest branch office with a list of clients desiring to bid for a share of the business of "The Billion Dollar Buyer"—The United States of America.

U S F & G

UNITED STATES FIDELITY & GUARANTY COMPANY

with which is affiliated

F & G FIRE

FIDELITY & GUARANTY FIRE CORPORAT'N

Home Offices: BALTIMORE



"Consult Your Agent or Broker as You Would Your Doctor or Lawyer"

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, SEPTEMBER 21, 1934

NATIONAL SURETY CORPORATION

New York, N. Y.

VINCENT CULLEN
President

FINANCIAL STATEMENT—JUNE 30th, 1934

ASSETS

Cash	\$ 1,203,788.29
*Bonds and Stocks	8,840,775.00
Premiums in course of collection, not overdue	1,103,730.52
First Mortgages and Real Estate	398,752.82
Accrued Interest and Rents	103,167.30
Accounts Receivable	295,018.74
Home Office Building	950,000.00
TOTAL ASSETS	\$12,895,232.67

LIABILITIES

Reserve for Unearned Premiums	\$ 5,077,751.70
Reserve for Claims	1,991,864.90
Reserve for Commissions and Expenses	448,653.71
Reserve Paid in for Claims and other contingencies	1,376,962.36
Capital	1,000,000.00
Surplus	3,000,000.00
TOTAL LIABILITIES	\$12,895,232.67

*This amount represents actual market quotations as of June 30th, 1934.

THE HOME

INSURANCE COMPANY

NEW YORK

162ND

SEMI-ANNUAL STATEMENT

June 30, 1934



ORGANIZED 1853

ASSETS

Cash in Banks and Trust Companies . . .	\$ 7,550,815.75
United States Government, State, County and Municipal Bonds . . .	17,097,889.20*
Other Bonds and Stocks	57,756,744.20*
Premiums in course of Collection . .	10,139,795.73
Accrued Interest	478,624.00
Other Admitted Assets	1,047,348.00
	<u>\$94,071,216.88</u>

LIABILITIES

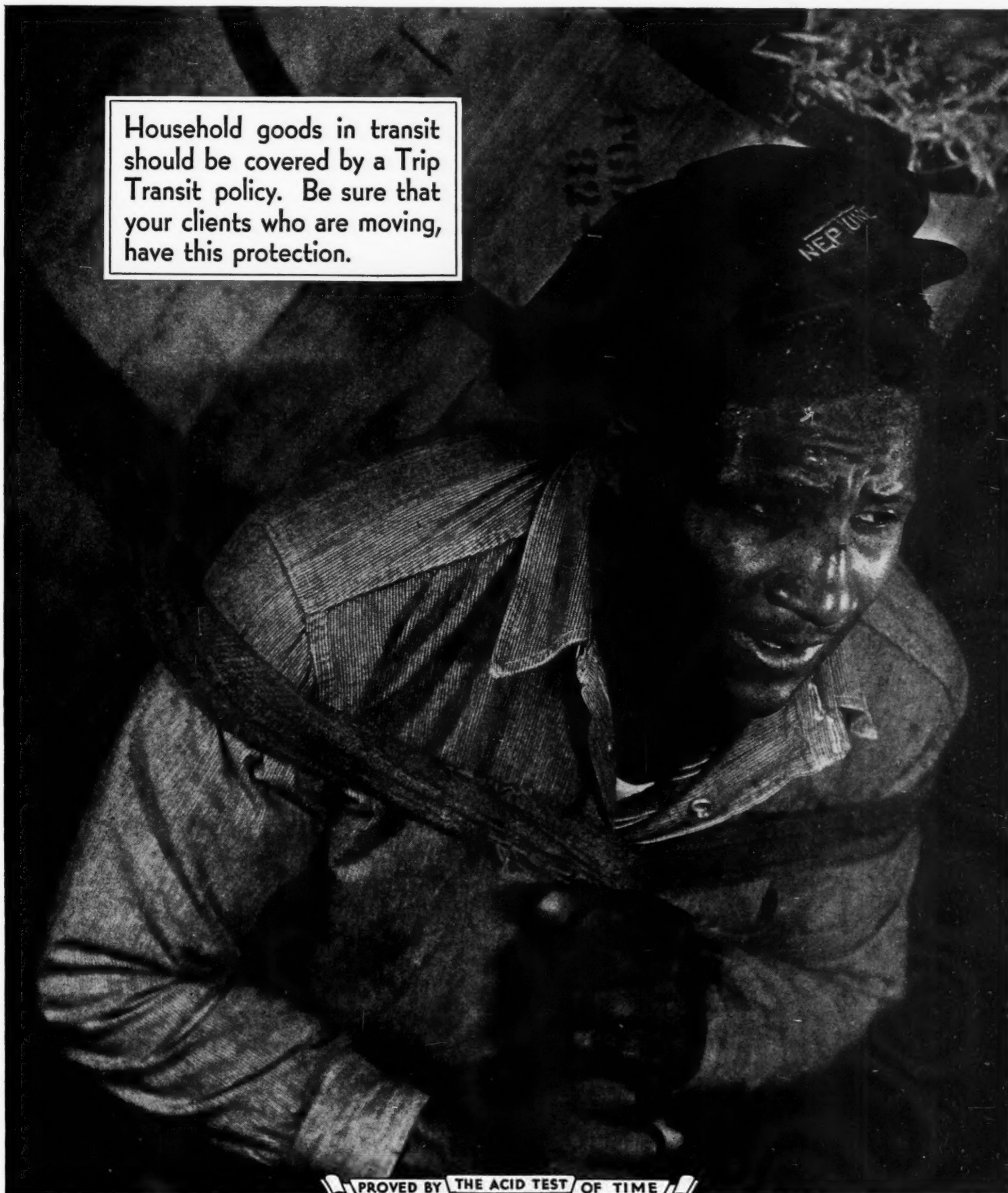
Capital	\$12,000,000.00†
Reserve for Unearned Premiums . . .	34,081,828.00
Reserve for Losses	4,809,513.00
Reserve for Unpaid Reinsurance . . .	909,873.94
Reserve for Taxes and Accounts . .	650,000.00
Contingency Reserve	4,215,762.00*
NET SURPLUS	37,404,239.94†
	<u>\$94,071,216.88</u>

* Reflecting Actual Market Quotations as of June 30, 1934.

**SURPLUS AS REGARDS POLICY-HOLDERS,
\$49,404,239.94†**

Strength « » Reputation « » Service

Household goods in transit should be covered by a Trip Transit policy. Be sure that your clients who are moving, have this protection.



PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS

MONTREAL

THE American Automobile Insurance Companies have always felt it a duty to maintain an unimpeachable financial structure and to provide agents with extraordinary facilities.

These companies have made a practice of writing a fair contract at equitable rates and construing it liberally in favor of the assured.

It is the unfailing practice of these companies to provide their agents with that heaping measure of service which money alone cannot buy; that is assistance, courtesy and consideration which makes for lasting friendship.

AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, *President*

ST. LOUIS, MISSOURI

"STANDARD *has won its place in our hearts"*

SAYS *J. E. Reimann*, PRESIDENT OF THE FRED L. GRAY COMPANY OF MINNEAPOLIS



The Fred L. Gray Company (Underwriting Department shown above) is one of the northwest's most progressive agencies, and J. E. Reimann is one of the northwest's most popular insurance men. His picture tells you why.



A view of the large Claims Department of the Fred L. Gray Company at Minneapolis. This is the largest insurance agency in the northwest territory.



Accounting Department of the Fred L. Gray Company. Recording the business of hundreds of sub-agents entails quite an Accounting Division, as this photo readily shows.



This photograph shows the Files Section. Note the efficient and orderly appearance of each of the various departments.

"STANDARD long since won its place in our hearts as the ideal Casualty and Surety Company," says J. E. Reimann, President of the Fred L. Gray Company, Northwest Managers for the Standard. • "We like its technical excellence and its ability to do. Better still we like its willingness to understand the problems of the producer whether he be the big city full-time kind or the small town local agent. *It has faith in its agents and its agents have faith in 'Standard.'* • "To any insurance agent who likes to work with an intelligent, progressive and friendly company, our advice is 'take on the Standard.' This advice comes from an agency which has, during the eight years we have represented 'Standard' exclusively for Casualty and Surety lines, given it a premium volume of more than \$10,000,000."

A fine tribute, for which we thank you, Mr. Reimann.



Here is J. E. Reimann with Frank J. Ney, Executive Vice President of the Fred L. Gray Company, examining Standard's 50th Anniversary Sales Kit. "This ought to help any agent," says Mr. Reimann, and Mr. Ney heartily agrees.

FOR 50 YEARS
a GOOD COMPANY for
GOOD AGENTS

STANDARD ACCIDENT INSURANCE COMPANY, Detroit



Graton & Knight Company, Worcester, Massachusetts

PHOTOGRAPH BY FAIRCHILD AERIAL SURVEYS

CONVENTION NOTE: P. D. Betterley, Assistant Treasurer, The Graton & Knight Company and Former Chairman, Insurance Division, American Management Association, is one of the speakers on the Wednesday forenoon program.

SPANNING THE YEARS TOGETHER

FROM the small tannery sketched in the oval to the extensive modern plant as viewed from an airplane; from modest beginnings to the distinction of being the world's largest manufacturers of leather belting—such is the fifty-seven year span pictured above.

In that span, insurance has been an important support. The first insurance policy for the Graton & Knight Company was issued in 1877 by The Liverpool & London & Globe Insurance Company Limited through its Worcester, Massachusetts, agents—Monroe, Ingraham & Parker. "L. & L. & G." insurance, placed through the same agency, protects the Graton & Knight Company today. The insured, the agent, and the Company have been bound

together in trust and friendship which have strengthened with the passing of time.

The "L. & L. & G.," a member of the Royal-Liverpool Groups, has played an important part in protecting American industry since 1848. It has kept faith with its policyholders and its agents. A letter recently received from Monroe, Ingraham & Parker contains this comment: "It is our sincere hope that the Liverpool & London & Globe will keep this office as its representative and allow us to add another fifty years to the fifty that have passed."

Companies of the Royal-Liverpool Groups offer to agents and insureds time-tested facilities which strengthen old friendships and create new ones.

ROYAL-LIVERPOOL GROUPS
ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N.Y.

The National Underwriter

THIRTY-EIGHTH YEAR—No. 38-A

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, FRIDAY, SEPTEMBER 21, 1934

Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

LOCAL AGENTS'
CONVENTION NUMBER

E. J. Cole Elected National President

Forward Step Is Taken by Agents

National Association Votes Unanimously to Establish Washington Service Office

MUCH INTEREST IN PLAN

Governmental Bureaus Are Very Active and Many Transactions Involve Handling of Insurance

Convention Headquarters, Grand Rapids, Mich., Sept. 21.

The National Association of Insurance Agents during this convention was pretty much engrossed in considering the governmental activities at Washington where insurance is involved. Where the government is making loans or is undertaking projects where there may be likelihood of loss it desires to be protected through insurance. The most simple way would be to make a general contract with some company or group direct but in doing this it would divert the business from the local agents. The local agents therefore are putting up a fight to maintain their rights insisting that the borrower or contractor be allowed to select his own insurance medium.

The National association has endeavored to defend its cause and protect the rights of agents by having Secretary W. H. Bennett and W. Owen Wilson of Richmond, Va., and Sidney

Ask Mail Regulation, Hit I.U.B., Auto Finance Deals

The following resolutions were adopted at the concluding session of the National Association of Insurance Agents in Grand Rapids:

The National Association of Insurance Agents condemns many of the practices of the Interstate Underwriters Board and submits that it should adopt a more definite plan for rating country wide risks which would not be discriminatory and which would not do violence to rates and rules of the rating organizations operating in various jurisdictions.

We urge the appointment of a committee either from within or without the national executive committee to negotiate with the Interstate Underwriters Board or its constituent companies for the accomplishment of the desired objectives.

In increasing volume, premiums on financed automobiles are being written by certain agency companies through direct contact with finance companies, and over the heads of local agents.

One of the fundamental principles of the National Association of Insurance Agents, to which practically all fire insurance companies have subscribed is non-overhead writing. The National association insists that such direct contracts made with automobile finance companies constitute flagrant overhead writing and we call upon the companies engaging in this practice to return this business to agency channels.

The National Association of Insurance Agents believes it to be inimical to the best interests of the insurance business and the insuring public for any person, association or corporation to negotiate or effect contracts of insurance in, through or by insurance companies in states where such companies are not authorized to do business. We therefore recommend to the incoming administration that it present to the Congress of the United States the proposal to prohibit the United States mails to all those persons, associations or corporations engaged in this practice.

O. Smith of Gainesville, Ga., members of the executive committee visit Washington from time to time. It was discovered that while it was possible in this way to accomplish much, yet owing to rapid changes the picture was altered almost as soon as these men reached Washington. The executive committee therefore felt it desirable to establish a service office in Washington. In fact, W. T. Reed, Jr., a local agent there, who is well versed in gov-

ernmental affairs has been temporarily employed and has rendered excellent service. When the project of establishing a service office was put before the convention on motion of W. H. Menn of Los Angeles with Clyde Smith of Lansing seconding, the project was unanimously adopted.

It will entail an extra expense of \$1 per member a year. It was decided to leave it to the states themselves as to

(CONTINUED ON PAGE 14)

New Executive Is Fully Qualified

Kenneth H. Bair Is Named Chairman of the Executive Committee

NO CONTESTS DEVELOP

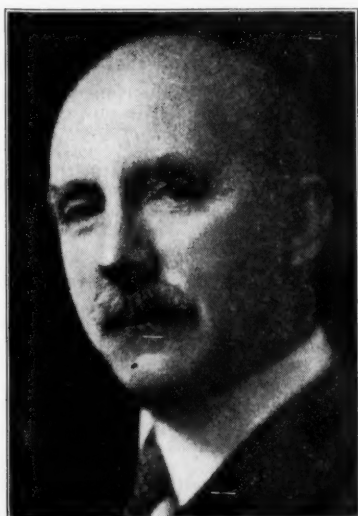
Allan Wolff Retires With Confidence and Respect of All After Successful Administration

Convention Headquarters, Grand Rapids, Mich., Sept. 21.

By C. M. CARTWRIGHT

Edwin J. Cole of Fall River, Mass., was elected president of the National Association of Insurance Agents at its final session today, being advanced from the chairmanship of the executive committee. Mr. Cole has had a splendid training in association work. He served on the executive committee of the Massachusetts association and was its president for two years. He was chairman of the New England Advisory Board for two years. He served the National association as finance committee chairman for two years. Mr. Cole is regarded as a man of splendid judgment, is forward looking and has the confidence of the members. He is regarded as the proper man to take the helm at this particular time. Mr. Cole served for 24 years with the Durfee &

(CONTINUED ON PAGE 18)



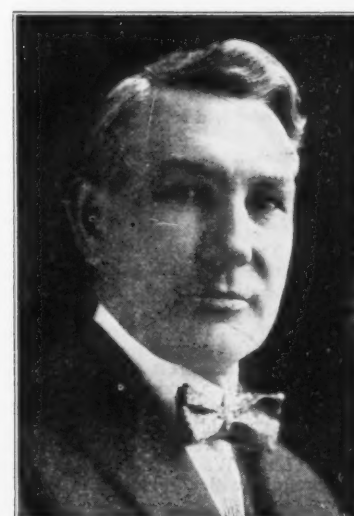
E. J. COLE, Fall River, Mass.
New President



ALLAN I. WOLFF, Chicago
Retiring President



K. H. BAIR, Greensburg, Pa.
Chairman Executive Committee



W. H. BENNETT, New York City
Secretary-Counsel

First Day Session Most Enthusiastic

Secretary Bennett and President Wolff Are Given Tremendous Ovarions

BIG ISSUES TREATED

Proceedings on Wednesday Covered Much Ground and Brought Out Thought-Provoking Ideas

The first convention session of the National Association of Insurance Agents must have been gratifying to the management, inasmuch as following the report of the administration by Allan I. Wolff there was prolonged applause and all rose in tribute to his presentation of the main issues before the organization. He stated frankly that the work of the national body had been centered chiefly in Washington in connection with the code and next the bureaus having to do with insurance. He received a good hand when he told about the change of front regarding cotton insurance where loans were made and his comment on separation also was well received.

As to separation he said:

Present Movement Is Blow to Strong Local Boards

"One of the most interesting developments came with the decision of the Eastern and the Western Underwriters Associations to enforce separation in the excepted cities in their respective territories. As an organization, we can properly take no action on this question, because the decision was made without consultation with us. As individuals, however, many of us are deeply concerned.

"In some territories, separation has been in effect for a long time, and in others, there is partial separation. The present movement is particularly disturbing because it affects cities where strong local boards prevail, and where agents representing organization and non-organization companies dwell together in harmony. If a program of separation should disrupt the orderly conduct of these strong boards, chaos would ensue.

Big Ovation for W. H. Bennett When He Arises

"There is another kind of separation which is gaining headway in some of these strong local boards, known as the 'all in' or 'all out' rule, which is designed to help the agents and companies jointly to improve their business. In many of these boards this rule has long been a standard, and it would seem to us a grave pity, if not a disaster, for any of these very spots to be disturbed by a company dictum which is locally unnecessary.

"At the moment, it seems doubtful that the program will be carried through. There are two distinct schools of thought among the companies within the organization which have not yet become harmonized, and even now exceptions here and there are being considered. In fact since the preparation of this report late press dispatches indicate so radical a modification of the original program that further comment at this time would appear uncalled for."

When he delivered his address the action of the W. U. A. in deciding to go through with separation was not known.

When Secretary W. H. Bennett arose
(CONTINUED ON PAGE 22)

Report of Compensation Committee Is Presented

The report of the compensation committee at the Grand Rapids convention of the National Association of Insurance Agents was most carefully attended. It was presented by W. E. Harrington of Atlanta as follows:

Your compensation committee reported at the Louisville mid-year meeting the development of a modified rating program unanimously agreed upon by representatives of bureau companies and the National Association of Casualty & Surety Agents, and the National Association of Insurance Agents. The fundamental problems peculiar to stock insurance were at that time outlined. For the sake of brevity they will not again be reviewed. The details of that program were reviewed by the insurance press upon their presentation to the insurance commissioners convention at Chicago, and while pertinent to this report are of, perhaps, too technical and involved a character to deal with at this time.

This report will have to deal with the status of certain negotiations at this moment.

To properly visualize the complexities of the situation, it is well that you consider that the National Council is the recognized rating authority of the regulated states, and that the council is governed by equal voice of stock and participating carriers. The cure for the small risk problem of stock carriers reduces the rate level to the detriment of an existing advantage of participating carriers and thus it is obvious that our solution lies not within our sole control. Our members on more than one occasion have voiced on the floor of this convention the principle that stock and participating insurance should each have the right of determining its own rate structure.

National Council Is Arm of State Regulation

With that principle this committee agrees. There being nothing in common between the method of operation of each class, a rate structure designed for both will inevitably do violence to one or the other. It was our hope, and I am speaking solely for our com-

mittee, that failing to secure the relief necessary for stock carriers, stock insurance interests would, without compromise or equivocation, proceed to determine its own requirements free from participating interference. I am of the opinion that if this could be done our goal could more easily and quickly be reached.

The practical side of that phase, however, is that the National Council is an arm of state regulation and a separation of rating interests is fraught with regulatory entanglements not easily quickly accomplished, however necessary or desirable that may be. Therefore our program as originally conceived was modified in the council subsequent to the Louisville meeting and prior to its formal presentation to the insurance commissioners mid-year convention. As to the details of those modifications, I will not here attempt to deal. Certain phases were adopted with slight modifications and became a part of the National Council rate structure and are embraced in filings now being made. To that extent definite results can be reported. The joint contribution feature, however, i. e., establishing the Dec. 31, 1933 rate level as a dead line for future administrative and acquisition loadings was not approved because of participating carriers objections and that phase is one for final determination by the insurance commissioners convention.

Hopes to Have Conference With the Commissioners

It was anticipated that this would be accomplished through a conference with the sub-committee of the commissioners convention prior to their mid-year meeting at Chicago, but the various bureau and council committees did not have the program in formal shape until three days prior to the convening of that session. It was, therefore, presented at the convention and action has been deferred until the December meeting in St. Petersburg. It is our hope that prior to that time we may meet with the commissioners sub-committee and have full consideration given

(CONTINUED ON PAGE 20)

Many Subjects Up at Thursday Meet

C. C. Eubank Reports on Deliberations at National Councillors' Session

C. W. PIERCE GIVES TALK

H. B. Rice Tells Buffalo Methods in Competition—Several Agents Join in Discussion

There was one general session of the National Association of Insurance Agents Thursday, the afternoon being given over to group conferences. At the morning meeting President Allan I. Wolff explained that R. W. Troxell, chairman of the local board committee could not be present. President Wolff stated that Mr. Troxell had diligently served the committee in a most excellent manner.

Albert Dodge of Buffalo presented the report of the publicity and educational committee. He has appeared on the platform on numerous occasions advocating advertising and publicity of the right kind. He submitted samples of the advertising copy stating that these will be available to members in due season through the New York headquarters.

Report Is Made on Meeting of National Councillors

C. C. Eubank of Ogden, Utah, reported on the national councillors' meeting, stating that the Pacific and Rocky Mountain states will organize a conference in the near future. The subject of contingent commissions came before the councillors. It is a subject with which the association as such cannot deal but there is growing sentiment in favor of this form of compensation. He said the New York office intends to gather together information on the subject from points where such contracts are in effect.

Mr. Eubank said that the councillors felt that local agents need to underwrite more carefully their workmen's compensation risks and be more discriminating in order to reduce the claim ratio. The councillors also suggested that the fire companies should standardize their cancellation practice following the lead of the casualty companies. At the conference it was reported from one section that profits insurance is being written on a coinsurance basis.

Practice of Life Companies When They Make Loans

The subject of life companies making contracts with one fire company or a few companies to insure property where loans are made was brought up by Albert Dodge of Buffalo. He stated that the Life Presidents' Association refuses to assume jurisdiction. The matter was taken up with the Life Office Management Association and it seemed more responsive.

The councillors felt that the Interstate Underwriters Board should permit pro-rata cancellation on its policies where the 100 percent coinsurance clause is used. Some of the councillors felt that in order to properly meet mutual competition lower rates should be granted on good risks and the poorer ones should be penalized still more.

The subject of London Lloyds came up. In Los Angeles it was explained that the surplus line brokers have gotten together and control practices. Allan

(CONTINUED ON PAGE 10)

Commuters to Washington



W. OWEN WILSON



SIDNEY O. SMITH

Two members of the executive committee were given special credit for spending much time and effort in Washington, D. C., in connection with governmental enterprises involving insur-

ance in which the National Association of Insurance Agents members were vitally interested. They were W. Owen Wilson of Richmond, Va., and Sidney O. Smith of Gainesville, Ga.

Stock Insurance Strongly Championed

Pierce Scans the Mutual Situation

America Fore Official Calls for Clearance of Stock-Mutual Agencies

HITS EMPHASIS ON PRICE

Deplores Cheap Propaganda on Both Sides—Demands Stock Companies Constantly Expand Their Service

The address by C. W. Pierce, vice-president of the Continental, Fidelity-Phenix and other companies in the America Fore group, at the Grand Rapids convention on "Present Day Aspects of Mutual Competition," was a dignified and comprehensive treatise.

Stock insurance, he said, stands in contrast to mutual, which writes selected classes only. Stock insurance supplies the business generally and without restriction complete protection, which makes possible its existence without which all business activity would stop. Stock insurance has created rating bureaus that develop the basic rates upon which stock insurance and much of the mutual insurance business is written. The National Board is maintained, with its great contribution to public welfare.

Cheap Propaganda on Both Sides Is Deplored

Mr. Pierce deplored inaccurate and cheap propaganda of both mutual and stock companies. Muck raking that undertakes to discredit responsible and honest companies weakens the confidence of the public in the business as a whole. It is good business, he said, to sell stock company contracts and service on their merits.

Representatives of both classes of carriers have stressed price thus cheapening the selling of insurance. Because price has been emphasized, he said it is no wonder that many buyers are looking to that factor today. The proper procedure is to impress upon purchasers that their contracts stand between their solvency and bankruptcy should serious fire or casualty occur. The first requirement of a business man is broad and properly written contracts in strong companies, coupled with competent agency service. "The good business man," he said, "will pay a fair price for the best protection and such a man will give last consideration to cost."

The fact that most policyholders do not know the name of the company in which they are insured or anything about it, tends to encourage buying on price without other consideration.

Commission of Agent Is Not a Gratuity

The proclamation of many non-agency mutuals that their rates are based on stock company tariffs and as their system entirely eliminates the local agent, it is a direct challenge to every agent and agents' association. The qualified agent, Mr. Pierce said, earns his commission and is thoroughly justified in stressing the fact with his clients. His commission is not a gratuity. The expert service of an agent assures to a property owner the protection which his various special needs require through the issue.

(CONTINUED ON LAST PAGE)

America Fore Official Hits Mutual Competition



C. W. PIERCE, New York City
Vice-President America Fore Group

J. W. Henry Gives Practical Auto Production Advice

J. W. Henry of Pittsburgh, in his address Wednesday afternoon, gave some practical suggestions for the development of automobile lines. He advised agents to canvass policyholders, who have dropped their insurance during the past three or four years, in the chance that some of them are again in funds and may be able to reinstate their coverage. He expressed the belief that today effort will be rewarded and therefore he suggested that agents should try out some sales plan or other. If an agent has not done so before, he might try soliciting by telephone or newspaper advertising, etc. He said the agent should budget his time so as to be sure that he is devoting enough attention to acquiring new business.

General Agents Hold Meeting

H. A. Steckler of New Orleans, president American Association of Insurance General Agents, was on the program to extend greetings from his organization. This association makes it a point to hold a meeting during the week the National Association of Insurance Agents is in session. Among the other officials present were Henry Cobb Stebbins, Clarence Cobb and W. L. Braerton of Denver, B. P. Carter, Richmond, Va., George Edmundson, Tampa, Fla., and J. K. Shepherd, Little Rock.

Home of New York's Delegation

The Home of New York had a large representation of officials present headed by Vice-president Harold V. Smith. He was buttressed by Vice-president William Quaid, M. F. Sprague, chief of the New York metropolitan department; Assistant Secretary Ivan Escott, Assistant Secretary Leonard Peterson, Advertising Manager Melvin Hicks, General Manager C. D. Lasher of Chicago, Ohio State Agent H. H. Chittenden, Indiana State Agent L. C. Fisher and Michigan State Agent J. P. O'Brien.

Rochester Seeks Next Meeting

Rochester, N. Y. was the only contender for the next annual meeting although other cities may come to the fore subsequently.

Producers Swap Ideas on Management of Agencies

On Thursday afternoon there were three group sessions discussing the general subject of "Agency Management and Operation." The first group comprised agents producing up to \$100,000 in premiums, the second group consisted of those producing from \$100,000 to \$300,000 and the third embraced those producing over \$300,000. C. T. Buckman, Visalia, president California Association of Insurance Agents, presided over group No. 1 F. P. O'Connor, Lima, vice-president Ohio Association of Insurance Agents, had charge of group No. 2 and W. H. Stewart of Chicago group No. 3.

The first subject on the agenda for group No. 1 was "Local Agency Advertising." While some reported fair results from direct mail the majority could trace no benefits and results unless personal calls followed closely after mailing of form letters. Personal letters to specific prospects were the best direct mail method. Newspaper advertising according to the experience of some of the speakers brought good results if the advertisements were carefully prepared and used continuously according to a certain program rather than spasmodically.

Billboard Advertising Got Some Good Results

Billboard advertising got good results for one local board where newspaper advertising had failed. Copy on the billboard advertising carried the name of the association at the bottom without names of agents. One speaker reported good results in connection with automobile insurance through use of a key holder novelty.

Chairman Buckman referred to the advertising analysis made by the Boston and Old Colony covering the experience of something over 1,500 agencies and the amount of advertising appropriation to be used according to the size of agency income ranging from 4 percent on smaller agencies to 2 percent of commission for larger agencies.

Experience Was Given as to the Employment of Brokers

The question of placing business through brokers or salaried employees resulted in considerable discussion, the majority being against the use of brokers. By employing salaried solicitors the agency could retain control of the business better than if it were placed on commission to brokers or otherwise.

A call for hands on the question of using audit surveys indicated that more than half found this method for getting business worth while. There was some discussion as to the expense of making surveys but the general opinion was that the survey paid its own way according to the size of the risk involved. One speaker stated that the surveys he had made averaged over \$1,000 of premiums to each survey. That it is important to sell the idea of a survey as a service to the assured was emphasized because if this is not done the business may go to some cut rate competitor.

Under the subject of inspections there was considerable discussion and some difference of opinion as to whether qualified company men should be used or private appraisal companies. It had been the experience of some agencies that some of the field men now covering territory are not of sufficient calibre to perform such work satisfactorily due to lack of experience and indicating the tendency of some companies to

economize by employing inexperienced men.

The desirability of using customers expiration books or insurance record books indicated that the experience of some offices had been that it was necessary for the agency to keep up the records for compliance or they would not be used.

Under the heading "Office Routine" it was brought out that it is important for agencies to be careful in the preparation of forms and Chairman Buckman presented a form he used in his office which included the condition that in case of loss the writing insurance company would be bound by the adjustment as made by the majority of companies on the risk. Questions came from the floor as to how it was possible to get special forms approved and the different conditions on this point prevailing in various states were apparent. Mr. Buckman quoted an instance where through the application of this particular loss clause, his office had saved a drug store risk and got 12 additional drug stores thereby.

A Texas agent advanced the opinion that more business is lost in that state by Texas agents to outside brokers through the wording of forms used than through any advantages offered the assured through rate reductions.

Several agents emphasized the importance of keeping records which indicated the trend of the agency business, showing whether profits are being earned and how the current business compares with business of the past year. Without some such record the agency is continuously in the dark as to its position.

On the subject of collections but little was said beyond the fact that plenty of personal calls and hard work are necessary to keep the income rolling in.

(CONTINUED ON PAGE 20)

Paid Secretaries Gather to Ponder Mutual Problems

The salaried state and local board secretaries held sessions Monday morning and afternoon. George Brown, executive secretary Michigan association, presided in the morning with Alfonso Johnson, secretary Dallas Board, as secretary. F. C. Colridge of Oakland, secretary California association, presided in the afternoon.

J. G. Grundle, secretary Milwaukee Board, explained the workings of the casualty board in his city, he being also its secretary. It was established in May, 1933. It has 92 percent of the general agents of stock companies as members and all but four branch offices. About 75 percent of the premium volume is represented.

Number of Part Time Solicitors Is Reduced

The main effect has been the reduction of part time solicitors. A large number have been dropped and are no longer in the business. For voting members a fee of \$100 is charged and the annual dues are \$10. For solicitors the fee is \$25 with \$5 dues. The fees were waived for charter members.

There was considerable discussion on creating interest in board attendance.

(CONTINUED ON LAST PAGE)

Sound Advice to Agents Is Given by Commissioner

Apparently there is a very general misunderstanding by the insuring public and even many agents, as to the power vested in insurance department officials, Commissioner Garfield W. Brown of Minnesota stated in his address Thursday. This misapprehension applies with special force to the adjustment of claims. The department's duties are limited to determining whether or not an insurer is fairly treating policyholders. Supervisory officials are executive officers and not clothed with judicial power.

Agents can materially assist in lessening the work of departments by advising policyholders to submit problems to the issuing companies before appeal to the department is made. Many questions submitted, and many complaints, could be satisfactorily handled direct. Agents never should request of departments rulings or opinions for the sole purpose of using them in solicitation. Departments must be most circumspect in passing upon requests for information, and some departments have been obliged to adopt use of a form prohibiting an agent from using correspondence with the department in soliciting business.

Find Agents Are Often Behind Grievances

It is not unusual for the department to discover in investigating complaints that submission of the grievance was upon advice of an agent who had been unsuccessful in selling a prospect or who, while attempting to place a policy had suspected he would not be successful and indirectly caused filing of a complaint to embarrass the competitor and create doubt in the mind of the prospect concerning methods used or representa-

tions made by the other insurance man.

Mr. Brown discussed the subject, "What the Insurance Department Expects of the Agent." He dealt not only with the constructive side, but also considered prevalent practices by a minority of producers causing embarrassment to legitimate agents and creating a certain public antagonism toward insurance as well as numerous tribulations for supervising authorities.

Obligations assumed by an agent, Mr. Brown said, may be roughly divided into three classes: (1) Those expressly imposed by statutory law and incidental thereto, such as rulings of supervising officials; (2) those prescribing certain contractual obligations assumed by the agent in relation to his principal, and (3) moral obligations inherent in the profession.

Premiums Should Be Regarded as Trust Funds

One of the foremost statutory requirements is that the agent transmit promptly money he has received from clients in payment of premium. Premiums have not been established as trust funds by statute and but inadequately in some instances by contract between principal and agent. The consideration in an insurance contract is not fully earned by the insurer until the contract is terminated by cancellation or fulfillment. Therefore, the premium must be regarded as belonging to the policyholder and held in trust by the company. The agent can have no greater right than his principal; therefore, even though there is no statute nor contract expressly establishing such trust, the gen-

eral nature of the relationship of the parties produces this result.

Commissioners have a right to expect fulfillment of this primary duty. Companies can operate successfully only when adequate premiums are obtained. Premiums withheld by agents in the aggregate produce for companies the same results as do inadequate premiums.

Remittance of Money Collected an Obligation

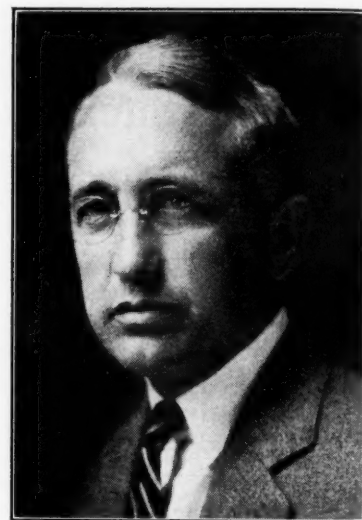
Mr. Brown said agents as well as some commissioners undoubtedly have felt, and many have expressed themselves to this effect, that any departmental check on agency balances renders insurance departments a collection agency for companies. However, it must be remembered that the duty of the commissioner is to check the balances and ascertain what portion thereof constitute an admitted company asset, and if it is found an asset is being carried at an unjustifiably high figure, to secure a proper reduction.

Likewise, from the standpoint of the agent as well as company, it is highly desirable that the actual status of a current agency balance be thoroughly understood. When the agent realizes that although he has collected all premiums due him, yet he must produce new business and remit the premiums thereon in settlement of old balances, he will make every effort to reduce expenses, personal or otherwise, Mr. Brown said. By so doing the number of agency trusteeships which have increased during the last two or three years will be greatly reduced.

Finds Pressure Applied by Department Beneficial

He said a number of agents have volunteered the information that they have actually benefited by the quarterly balance report required by many commissioners through being able to collect many slow accounts by "Taking the name of the commissioner in vain." Mr. Brown said he had been inclined to ex-

Supervising Official Is Speaker Before Agents



GARFIELD W. BROWN
Minnesota Insurance Commissioner

cuse and in fact to encourage such exercise of poetic license by agents in endeavoring to collect slow accounts.

Another important obligation of agents is to refrain from misrepresenting competitors and their companies. This is highly destructive of stability among companies and reflects adversely against the individual involved. Misrepresentation concerning a fellow agent is just as inexcusable. Repetition of the offense establishes the offender as one to be classed as unfit and disqualified.

(CONTINUED ON PAGE 25)

A STRONG, AGGRESSIVE FIRE INSURANCE COMPANY



A representative English Company of high character and standing. Agents receive the benefit in the upbuilding of their premium volume that comes from prompt intelligent service and modern underwriting methods.

WM. A. BLODGETT
UNITED STATES MANAGER

United States Branch
90 John Street
New York

CARROLL L. DeWITT
HARRY G. CASPER
ASSISTANT U. S. MANAGERS

DEPENDABLE INSURANCE SINCE 1863

*An Agency
Connection*

with the Fireman's Fund Group brings
facilities for writing practically every
form of insurance except life, contact
with officers and fieldmen of wide
experience, and intelligent, helpful
agency service —

backed by

STRENGTH
PERMANENCE
STABILITY

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

Snapshots of the Big Convention

There were present from the **Michigan Insurance department** aside from Commissioner Gauss, H. B. Corell, R. M. Wade, Robert Morse and L. H. Power.

Two of **President Wolff's sons**, Allan, Jr., and Peter, came over Thursday from Chicago and stayed for the closing session.

From the headquarters of the **National Association of Insurance Agents** at New York were present Secretary W. H. Bennett, Assistant Secretary J. B. Miller,

G. W. Scott, Bartlett Greene, Jennie Sue Daniel, editor "American Agency Bulletin," and Miss Mary Mobley, Mr. Bennett's private secretary.

Chris Siebold of Jones & Whitlock, James Perry from the home office, S. T. Johnson, Michigan state agent, and H. T. Johnson, Illinois state agent, represented the **Globe & Rutgers** at the convention.

At every National association meeting the **stately flag** presented to the organization at the annual meeting in New

Orleans in 1927 is placed on the platform. At the New Orleans meeting at the beginning of every session John X. Wegmann and Stuart Maunsell marched in with the flag.

The **Ohio agents** held a conference Wednesday afternoon with Hugh L. Meek of Columbus, president, and John A. Lloyd of Columbus, secretary of the association.

Ernest Palmer, state insurance director of Illinois, arrived in Grand Rapids Monday and spent the first three days hob-nobbing with old friends. He has been featured at banquets of the national body in the past and made a great hit.

Joint Advertising Program Again Is Urged By Dodge

Albert Dodge of Buffalo, who for several years has been shouting from the house tops for a cooperative program of advertising on the part of stock fire and casualty companies and their agents, made another stab in this direction at the state officers' meeting, in his report as chairman of the committee on publicity and education.

Although numerous efforts have been made to have a conference with the Insurance Executives Association and National Bureau of Casualty & Surety Underwriters to discuss such advertising, neither company group has taken any action. Another effort, he said, will be made to prevail upon these groups at least to appoint committees to investigate the possibilities.

Use of Old Fashioned Methods Is Criticized

The great undeveloped market for fire and casualty insurance and the competition and progress of mutual and reciprocal carriers are due to inadequate, inefficient and old fashioned sales methods on the part of stock companies and agents, he contended. To win markets, a quality product must not only have quality, but it must also have the recognition of quality which can be obtained best by intelligent, strong advertising.

Mr. Dodge mentioned the possibility that mutual fire and casualty companies have benefited from the extensive advertising undertaken recently by many of the mutual life companies.

An intelligently prepared campaign of advertising and publicity, backed by properly organized sales effort, he contended, would maintain the confidence of present policyholders and thereby reduce mutual competition, establish stock insurance as the best and most popular of all plans, establish the value and necessity of agents' services, sustain the morale of local agents and field men, attract better agents and new business and pave the way for a greater portion of the increased business that will come with returning prosperity.

Wants to Be a Bride

Scott Nixon of Augusta, Ga., former state president and one of the really fine looking men who attended the convention, extended again his invitation often set forth in the past to hold the 1935 mid-year meeting in his city next March. Mr. Nixon still sounds the slogan "Five times a bridesmaid but never a bride." Many of the delegates are hoping that his dreams may come true next year.

Miami came in as a strong contender for the 1935 mid-year meeting although the members feel that Scott Nixon is entitled to recognition because he has been after the mid-year session so long. The whole picture, however, may be changed. At one of the sessions Frank R. Bell of Charleston, W. Va., made an urgent suggestion that hereafter all mid-year meetings be held in Washington, D. C., so that the members can have opportunity to make governmental contacts. President Allan Wolff stated from the rostrum that this subject had come before the executive committee and Mr. Bell's suggestion would receive careful consideration.

Sessions in Civic Auditorium

The sessions of the convention proper were held in the Civic Auditorium across the street from the Pantlind hotel. However the hotel is connected with the auditorium by a tunnel so that the conventioners did not have to cross the street from the outside.

J. M. Clark of Chicago, western executive special agent of the New York Underwriters, attended the convention contacting with its agents.

GIVE and you shall receive

HERE IS A PRACTICAL DEMONSTRATION OF THAT TRUTH

During the past fiscal year MILLERS NATIONAL received from its agents the largest premium income it has had for ten years—and at the same time its losses were the lowest. The Company's premium income has steadily increased during the past four so-called depression years, culminating in this remarkable record.

Wouldn't you conclude that MILLERS NATIONAL must serve agents as they like to be served to merit this demonstration of fidelity? Haven't you seen the law of compensation, the venerable truth of "Give and you shall receive," work out in your business often enough to know that it does work? Of course you have.

In addition to providing sound protection and experienced service, MILLERS NATIONAL tries to add that "little extra" touch that agents appreciate. Its handshake is firm because behind it is a feeling of sincere regard and true friendship. MILLERS NATIONAL chooses to be regarded as a co-worker toward the production of profitable agency incomes, and its services are designed to produce that end.

May we explain to you more things about MILLERS NATIONAL which we believe will interest you? Write to our Home office—no obligation of course.

1865  1934

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

A Good Strong Company

UP 84%

American States' Assets Increase 84%

DURING five of the most difficult years the insurance business has ever known, the American States increased their Assets 84%—from \$638,129 December 31, 1929, to \$1,174,688 June 30, 1934.

Six Months Record

For the six months ending June 30, 1934, Assets increased 14.8% over the same period of last year—Net Premiums 26% and Surplus 12.4% even though Premium and Loss Reserves were increased \$100,000 and a Contingency Reserve of \$17,965 was set up.

SEMI-ANNUAL FINANCIAL STATEMENT, JUNE 30, 1934

<i>Assets</i>		<i>Liabilities</i>	
Cash	\$ 65,249.87	Reserve for Unearned Premiums	\$ 417,384.91
U. S. Government Bonds..	603,392.38	Reserve for Claims	244,511.74
State and Municipal Bonds....	22,943.39	Reserve for Adjustment Expense	3,507.86
Public Utility Bonds.....	136,267.05	Accounts	3,550.46
Industrial Bonds	11,975.28	Reinsurance	1,276.19
Railroad Bonds	3,589.66	Accrued Taxes	14,337.59
Stocks (Market)	22,063.75	Accrued Agents' Commissions..	72,153.95
First Mortgage Loans.....	20,850.00	*Contingent Reserve	17,965.57
Real Estate	2,100.00	Capital	\$200,000.00
Accrued Interest	7,872.79	Surplus	200,000.00
Reinsured Losses Receivable...	1,963.82	Surplus to Policyholders...	400,000.00
Reinsured Adj. Exp. Receivable	504.00		
Premiums in Course of Collection (Under 90 Days).....	275,916.28		
	<u>\$1,174,688.27</u>		<u>\$1,174,688.27</u>

*Contingent reserve sufficient to adjust all securities to actual market value June 30, 1934.

[Cash and Government Bonds Alone],
[Over 100% of Insurance Reserves]

AMERICAN STATES INSURANCE COMPANY

Indianapolis, Indiana

AUTOMOBILE INSURANCE EXCLUSIVELY

National Councillors Lean to Contingent Commissions

There was a meeting of the national councillors on the second day with Allan I. Wolff in charge as chairman, assisted by C. C. Eubank, Ogden, Utah, secretary. Albert Dodge, Buffalo, reported on the E. U. A. territory and told of a recent meeting with the New England insurance commissioners to discuss conditions in that territory.

E. J. Cole, Fall River, Mass., resigned as chairman of the conference committee of the national councillors and C. W. Varney, Rochester, N. H., was appointed to succeed him.

There was some discussion of recent rulings covering the writing of inland marine business and a general talk on contingent commissions.

H. J. Thielen Reports on Conditions on Coast

H. J. Thielen, Sacramento, Cal., secretary of the conference committee for the west coast states, gave a report on conditions there. He said that the Washington association has recently gone on record by resolution as favoring contingent commissions and that probably other states in the Pacific Coast area will make similar moves.

Eugene Battles, Los Angeles, told of the activities of Lloyds in his state and said that their operations had been somewhat curtailed by the writings of surplus lines brokers. It was generally agreed that no concerted action could be taken regarding contingent commissions, it being held that this is strictly a matter for the individual state associations to decide for themselves although a file will be compiled showing what is being done in the territories where contingent commissions are being paid.

George W. Carter, Detroit, gave the report for W. U. A. territory, discussing principally the necessity for a use and occupancy form containing no "trick" language. He said that vacancy rates are too high and that there should be worked out a more widespread smudge coverage which will cover a greater number of contingencies.

L. E. Bright, St. Louis, said that under the new ruling it costs too much to send policies by registered mail for cancellation. He contended that a fire company should have the same arrangement for the cancellation of policies as the casualty companies, in this way eliminating registered mail and high postage costs.

Thomas F. Southgate, Durham, N. C., discussed the Interstate Underwriters Board. He wants the southern conference to secure a pro rata cancellation on all classes in connection with which 100 percent coinsurance is written.

Frederick Hickman, Atlantic City, N. J., spoke on workmen's compensation and the difficulties agents are having these days in placing that line. He said that before agents generally become too critical of the present day attitude of the companies toward workmen's compensation they should become more familiar with not only the experience of the companies but with the experience of their own offices.

Corroon & Reynolds Dinner

The Corroon & Reynolds group gave a dinner to their agents Wednesday night. R. A. Corroon, head of the organization, arrived from New York that day. The affair was in charge of E. S. Inglis, who was accompanied by Secre-

tary R. R. Wilde. Official headquarters were maintained during the convention. Among those present were: Vice-president J. R. Berry and J. A. Corroon of the agency department.

Mr. Inglis acted as toastmaster. He called on a number of agents to speak. R. A. Corroon was the last speaker, outlining the policy of the Corroon & Reynolds companies in the field.

Unwritten Law Now Is for President to Serve One Year

When the National Association of Insurance Agents was first organized the presidents as a rule served for two years. Such was the case with A. G. Simrall of Covington, Ky., C. H. Woodworth of Buffalo and George D. Markham of St. Louis, the first three to hold that office. Then there followed nine years each with a separate president. The two-year term started again in 1911 when J. H. Southgate of Durham, N. C., was elected. This arrangement continued through the administration of James L. Case, who was the last two-year president, retiring in 1923. Since then it has become an unwritten law that the president shall serve but one year.

Convention Notes

The **America Fore** group as usual got out the printed roster of the convention giving the names of those present, their addresses and hotel room.

* * *

One of the interested spectators was **W. J. D. Janisch**, head of the production department of the James S. Kemper mutuals at Chicago.

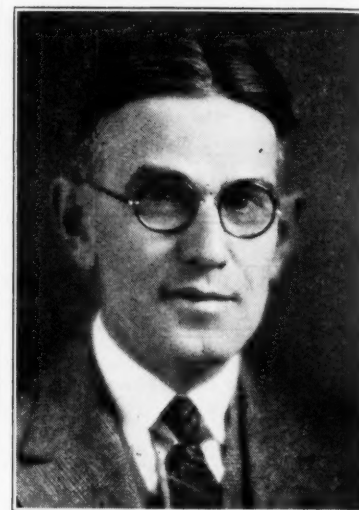
* * *

The **Zurich** established headquarters with Assistant Manager H. H. Fuller and Agency Superintendent E. J. Savage in charge.

* * *

As usual the **Norwich Union** presented the organization with a magnificent

Branch Offices



H. E. McKELVEY

Whenever branch offices are discussed at national meetings one looks around for H. E. McKelvey of Edwards, George & Co. of Pittsburgh, who is sure death on illegitimate branch office practices.

bouquet which decorated the platform. Manager Hart Darlington sent a letter with the flowers regretting that he could not be present.

* * *

Some of the **western managers** returning from the Western Underwriters Association meeting at Manchester arrived in Grand Rapids Thursday noon. Among these were A. F. Powrie, Fire Association; W. N. Achenbach, Aetna, and Robe Bird, American. J. P. Hosking, assistant manager Century, also came on.

To 100,000 Insurance Agents!

(Meaning Producers of all Classes of Insurance, Everywhere!)

You all may regard this office your New York "Branch" and this firm your Eastern agent!

In effect this is an insurance agents'

"Clearing House"

to arrange agencies, handle underwriting, etc. It's a success already!

WM. B. JOYCE & CO.
NEW YORK

REINSURANCE

OUR 20 YEARS OF SUCCESSFUL
CO-OPERATION WITH CASUALTY
COMPANIES DEMONSTRATES THAT

MUTUAL PROFIT MAKES
PERMANENT RELATIONS

A FLEXIBLE SERVICE OF VITAL
VALUE IN SOUND UNDERWRITING

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President

Forward Step Is Taken by Agents

(CONTINUED FROM PAGE 5)

the manner of their raising their share of the fund. The regular income of the National association is not sufficient to meet this additional burden. It was explained that the Washington service office will be for the benefit of members but naturally the agents at large will indirectly be the beneficiaries. It is not intended that this office shall take up every little detail or complaint for members with government bureaus but it will endeavor to be of assistance in such ways as it can. It chiefly will be the contact between the National association and the government bureaus. It will be the army of defense so to speak and will be gathering information from day to day and transmitting it to national headquarters.

W. O. Wilson was called to the platform to explain what had been done at Washington. He said that the work started when the association filed its code with the NRA. During the visits of Secretary Bennett and members of the executive committee to Washington they were drawn into other fields. The first bump the association received was

the decision of the CCC to allow the cotton insurance to be handled by three brokers. Mr. Wilson felt that if the organization had started its work a year earlier this might have been avoided.

Mr. Wilson's personal work was contacting with the Home Owners Loan Corporation. When the HOLC started he said that conditions were chaotic, with thousands of policies pouring into its office and it not having the machinery or help to handle the details. There have been many changes in its setup.

Valuable Information Discovered Too Late

With the National association representatives in Washington at odd times the question often arose as to whether the agents were getting what they were entitled to. Mr. Wilson said that frequently valuable information was discovered when it was too late to act. Much time, he said, is consumed in trying to gather together the scattered threads. One cannot tell what will happen from week to week. He said that in order to play safe it is necessary to

have someone constantly on the job. He described the situation as serious. Up to Aug. 15 the HOLC found that the government had to pay premiums on some \$6,000,000 insurance where the borrowers had not paid the premiums. The government has had to take over some policies that have not yet expired. Unless the insurance runs in agency channels the agents will lose the business where the premium is paid by the government unless some change is effected. He said that the HOLC has in mind some partial payment plan for the borrowers so that they need not pay all the premium at once. He explained how there are many different kinds of insurance involved in these government enterprises.

Clyde Smith of Lansing called attention to the fact that a year ago thousands of bonds for receivers and conservators were being placed at Washington where these were necessary for failed national banks. The agents were deprived of this business until after their protest when a halt was called. Mr. Smith said it is exceedingly desirable to have a Washington representative at hand all the time.

H. C. Arnall of Newnan, Ga., who is at the head of the Southern Insurance Conference that made a valiant fight to regain cotton insurance, was called to

the rostrum and expressed his gratitude for the help that members from all over the country had given. They bombarded their senators and representatives as well as high public officials, with the result that the CCC finally ruled that warehousemen can place their insurance where they desire. Old policies however remained. The government in addition to the regular insurance purchased by the warehousemen arranges for a blanket policy to cover errors and omissions, the difference between loan and market value, loss by a flood, and the like. Mr. Arnall feels that the local agents can secure a contract of this kind from some company so that warehousemen will be better satisfied in taking out their insurance this being especially true where they have loans at banks.

Mr. Wilson explained that there are about half a dozen plans that have been submitted to the HOLC for handling its insurance to better advantage. It now has planned to create regional offices. The National Association of Insurance Agents presented a comprehensive plan but it will be necessary to change it. Mr. Wilson said the executive committee is now awaiting government advice as to what changes the HOLC proposes to make before it submits amendments. Where the government pays the premium itself, Mr. Wilson explained that it desires a simple plan where it can draw a check once a month. He does not think it desirable to upset this particular arrangement. The executive committee, he said, is preparing to set up machinery to collect delinquent premiums from HOLC borrowers.

Executive Chairman E. J. Cole stressed the importance of keeping in constant touch with the insurance requirements of the government. He said that while this convention was in progress the committee received daily reports reciting developments at Washington. This information, he said, is most valuable. The executive committee, he explained, came to the conclusion that there must be a contact man at Washington at all times.

Chairman Cole Sounded Solemn Note of Warning

Mr. Cole sounded a solemn note when he said the trends at Washington do not speak hopefully for the American agency system because the authority for handling insurance on property where the government is involved is highly concentrated. He said that a government official had remarked that in due season one out of every five homes in the country would have an HOLC loan. He said that it is up to the National association to try to conserve this business for the agents. Many activities at Washington involve insurance and unless the agents are prepared to take care of the demands in a businesslike way naturally the government will evolve its own plan.

Mr. Cole explained that the extra expense for having the Washington office could not possibly be met from the regular association income. The annual budget has been made and promulgated.

F. L. Greeno of Rochester, N. Y., explained that the New York association maintained a representative at Albany during the legislative season and it had found such a plan of great benefit.

During the course of the discussion ex-President Frank R. Bell of Charleston, W. Va., insisted that the mid-year meetings hereafter be held at Washington and made such a motion. Later, however, he agreed to allow the executive committee to decide the matter inasmuch as invitations had come from other points. Mr. Bell took the position that it would be very valuable for the members to meet at Washington once a year and get in touch with their legislative representatives and other public officials.

C. E. Rickard of Detroit, former advertising manager of the Standard Accident and now head of the Rickard Advertising Service in his city, attended the convention.



AMERICAN SURETY COMPANY of New York

(Organized 1884)

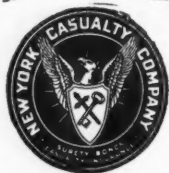
● IN THE PAST FIVE YEARS surety companies have written \$216,645,151 in Fidelity premiums, and have paid \$108,550,251 in losses under Fidelity Bonds. It is estimated that the latter figure represents but 10% of the total loss by dishonesty sustained by business throughout the country.

● IN PLACING his clients' Fidelity Bonds, an agent should select a company that by reason of long experience and financial standing is best qualified to furnish the form of coverage suited to the clients' needs.

● WE SOLICIT an opportunity to serve.

NEW YORK CASUALTY COMPANY

(Organized 1890)



if you value a spirit of friendliness and co-operation we have a service to render you

THE YORKSHIRE
LONDON & PROVINCIAL
SEABOARD
YORKSHIRE
90 JOHN STREET - NEW YORK CITY

1824-1934



TRUE

the York-shire company is over 100 years old - its assets exceed 60 millions - but more important is the spirit which has lead to success

Will Wright
Field Correspondent

THE YORKSHIRE
SEABOARD
YORKSHIRE
LONDON & PROVINCIAL
90 JOHN STREET - NEW YORK CITY



Strength

The insurance business has proven its ability to withstand the forces of economic pressure - we are proud of the part our agents have played in the battle

THE YORKSHIRE
SEABOARD
YORKSHIRE
LONDON & PROVINCIAL
90 JOHN STREET - NEW YORK CITY



ORDERED LIBERTY

Freedom is not a privilege - it is a right - and every right carries responsibility - let us, agents and companies, together, shoulder the responsibility which brings us the joys that it brings

OF COURSE HE'S A SCOT!

and just as surely these companies maintain their characteristics - conservative - friendly - cooperative - and able

THE YORKSHIRE
SEABOARD
YORKSHIRE
LONDON & PROVINCIAL
90 JOHN STREET - NEW YORK CITY



These ads have served to remind you of the character and policies of this organization.

We wish to take this occasion to assure the Agent that we fully appreciate that his character and policies are as important in this business as our own.

The right combination of Agent and Company assures the public protection and everlasting good will for the Insurance business

90 JOHN STREET **THE YORKSHIRE**
INSURANCE CO. LTD.
LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD.
SEABOARD
FIRE & MARINE AND THE
YORKSHIRE
INDEMNITY CO. OF N.Y.

NEW YORK CITY

Nelson Tells the Superb Record in Membership Work

One of the most enthusiastic ovations of the convention was given to Harvey B. Nelson of Jersey City, following his report as chairman of the membership committee. He made a most impressive record. For the first time in three years the National association was able to report a net increase in membership. As of Aug. 31, 1934, the figure was 11,276 as compared with 10,033 as of Sept. 1, 1933. This was a gain of 12 percent in contrast with a loss of 13 percent in 1933 and 10 percent the year before that.

Membership Doubled in Oregon, South Carolina

The net gain this year is greater than that obtained during any year since 1927-28. During the year 2,969 new members were secured. Delinquents totaling 484 were reinstated. In other words, there was a total of 3,453 members added and/or restored. Most of those removed from the rolls during the year was for non-payment of dues. The number of those dropped and not re-

instated was 1,726, a big improvement over the mortality figures of the two previous years.

Membership work was not confined to a few states. Thirty-five associations obtained a net increase, whereas only 10 were able to achieve that result in 1932-33 and only 15 in 1931-32.

The Oregon and South Carolina associations both more than doubled their membership and led all other units. In South Carolina the name of only one member was removed during the year. It showed a net gain of 89 percent during the year.

California still has the largest membership with 1,145, the only association above the 1,000 mark. New York is second with 864 and Texas third with 703. Ohio is now in fourth place, having made an increase of 374 in a period of only eight months. Massachusetts made a net increase of 129, Michigan 112.

He pointed out that New Mexico is now completing arrangements to affiliate with the National association. An interest has been shown by the individual direct members in all of the other non-affiliated states with the exception of Nevada, for forming state associations to be affiliated nationally.

Omaha was represented by R. C. Alexander, P. W. Downs and Ray Stryker.

Visiting Headquarters at Grand Rapids Rally

A number of companies had official headquarters, some rather elaborate. In other cases an official or field man received in his room. On the mezzanine floor there were three outstanding headquarters, the Aetna Life companies, the Standard Accident and Commercial Union-Ocean Accident group.

In charge of the Commercial Union headquarters were A. E. Perry, New York City, general agent; C. W. G. Bailey, associate manager Ocean; E. G. Shipser, New York, all risk and inland marine superintendent; A. H. Stofft, New York City, agency superintendent Ocean; Harold Gardner, San Francisco, inland marine department; L. E. Shalberg, Chicago, assistant manager Ocean, and the Michigan field men.

At the Standard Accident headquarters were Vice-President Paul M. Bowen; Hal A. White, superintendent of agents; A. A. Clark, manager bonding department; J. S. Richardson, manager Detroit branch office.

The Royal-Liverpool & London & Globe group maintained quarters pre-

sided over by Assistant Managers M. H. Grannatt and H. C. Conick, Western Manager E. W. Hotchkiss, Walter Falk, brokerage manager and J. E. Erhardt, automobile manager.

The Standard Accident not only had its exhibit and display on the mezzanine floor but maintained rooms in the hotel where it received its agents and friends. In its headquarters it offered free phone service and typing. It received the baseball returns, gave out souvenirs and mailed letters postage free.

The Boston and Old Colony held open house with B. L. Hewett of Lansing, western manager; Earl Gibbs, assistant western manager; and Ray C. Dreher, manager of the advertising and sales promotion department from the head office in Boston, in charge.

Two members of the Texas Association were present who attended the organization meeting in their state July 14, 1897, at Waco, they being E. M. Polk of Corsicana and W. L. Stiles of San Antonio.

W. B. Calhoun of Milwaukee, former president, led in the singing of "America" at the first session with Paul A. Colwell of Providence, president of the Rhode Island association, accompanying on the piano.

James M. Wilson & Co. of Kalamazoo, Michigan, general agents for the Seaboard Surety, London Guarantee & Accident, Eagle Indemnity, and American & Foreign, had headquarters. Paul D. Olmstead, superintendent of agencies from the U. S. branch of the London Guarantee, was at the headquarters. President C. W. French of the Seaboard Surety was also at hand as were: Chris Taylor, manager of the Wilson office at Detroit; Harry L. Bowles, manager Grand Rapids office, F. B. Cavanaugh, manager Kalamazoo office.

The National Surety had headquarters with Sherman G. Drake of New York, vice-president and agency director, in charge. He was aided by E. A. Luther of Chicago, regional representative; B. J. Nietschmann, Chicago manager; T. E. Griffin, manager, and George Oehm, assistant manager at Detroit.

The London & Lancashire group maintained headquarters in charge of field representatives from Michigan, Indiana and Wisconsin.

The Kenneth Watkins Corporation of Detroit, general agents for the state of Michigan for the General Accident, had headquarters with Mr. Watkins in charge, assisted by Special Agent J. F. Lynch.

The North British & Mercantile group was represented by A. R. Thommason, assistant United States manager; H. V. Tisdale, assistant general agent central department; S. T. Shotwell, secretary automobile department; J. L. Mylod, secretary western department; P. J. Moriarty, manager Detroit metropolitan department; W. J. Traynor, publicity director; William Grier, secretary; L. N. Bowen, inspector; C. A. Dafee, state agent, and A. G. Barker, engineer Detroit department; N. L. Spencer, state agent, and L. J. Goodall, special agent, Lansing, Mich., and W. F. Sweazea, manager Chicago metropolitan department.

All Would-Be Orators Suppressed by Gandy

The past president's dinner was held Thursday evening with President Wolff and all members of the executive committee being present as guests. Charles M. Gandy of Birmingham, immediate past president, presided. In his usual extraordinary and unique manner he extracted remarks from all the former presidents but would not permit any of the brigade present to speak. Secretary Bennett, President Wolff and some of the members of the committee had spent considerable time in developing after dinner addresses that they expected to give but Mr. Gandy was successful in suppressing all revolutionary attacks and kept the proceedings entirely confined to the "Has beens."

GREAT AMERICAN INSURANCE COMPANY — GREAT AMERICAN INDEMNITY COMPANY

The Great American Group extends best wishes to the National Association of Insurance Agents, in convention at Grand Rapids.

Great American
Group of
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MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY — DETROIT FIRE & MARINE INSURANCE COMPANY

AMERICAN NATIONAL FIRE INS. CO. — NORTH CAROLINA HOME INS. CO. — COUNTY FIRE INS. CO. OF PHILA.

Demands Carriers Be Put on Record

Would Get Definite Expression
Whether Companies Will Confer
on Branch Offices

REPORT OF McKELVEY

Committee States Impasse Has Been
Reached with Companies Side-stepping
Requests for Conferences

An impasse having been reached in the branch office controversy, the committee on that subject headed by H. E. McKelvey of Pittsburgh in its report to the Grand Rapids convention Thursday, recommended that the executive committee of the agents' association call upon the companies to give definite expression whether they will or will not confer with the "duly accredited committee" of this association on the subject of branch offices.

The report reviewed the history of the branch office controversy. The production branch office has been an issue for about eight years. At first agents only in the larger centers were alarmed but as the system developed, agents in the smaller cities became interested. The question became so pronounced that at the 1932 meeting of the agents' association it was a topic for general discussion from the floor.

Company Executives Applied Soft Pedal

Great pressure was brought by several company executives to keep the subject off the open program. They promised that a company committee would be created to confer with the local agents. The 1932 agents' convention heard the assurance that the problem would be so taken up and that a full report would be ready for the 1933 mid-year meeting.

No mid-year meeting was held in 1933, and because of the companies' attitude no conference was held. The agents committee endeavored to contact the companies, but without avail. A questionnaire was sent to every fire and casualty company. These questionnaires, if ever answered, were not answered direct, but went back to the companies' organizations which replied in the form of a composite report "from which no definite information in relation to this subject could be determined."

"In brief," the report stated, "we were able to get no action towards a conference or discussion of the matter, but as soon as we attempted to secure definite information we got immediate action to block our effort."

Assurance Was Given Again by Executives

At the Chicago convention of 1933, the subject was brought up, and the committee was assured by four outstanding company executives that meetings would be held by representatives of the companies with the agents. To date no meeting has been held and the companies have appointed no conference committee.

"Meantime," the report continued, "production branch offices have continued to expand, so that today they are far from being only a large city problem. Small cities, towns and even villages are feeling the effects of a growth which must ultimately demoralize the agency system while not benefiting the assured. In fact, it is gener-

ally agreed the production branch office is more costly to operate than the local agency. So, from the viewpoint of the insuring public, the production branch office is an expensive development; and from the viewpoint of the service-giving local agent, the production branch office is merely a means of manufacturing unfair competition and impairing his business existence."

Wolf Weak on Initials

President Wolf on one occasion started to introduce Secretary Bennett as "W. L. Bennett." At the get together dinner he had introduced J. M. Crosby,

Jr., president of the Grand Rapids board, as "J. W. Crosby," he apologizing later. In catching himself on introducing Mr. Bennett he said "I am getting weak on initials."

* * *

Otto Patterson, well-known vice-president of the American Automobile, came down from St. John, N. B., where he had attended the annual meeting of the Canadian insurance superintendents.

* * *

The North America group had a formidable delegation, Benjamin Rush, Jr., vice-president Indemnity of North America, and Agency Superintendent C. S. Roberts of the same company coming from the same office. From the western department there were Associate

Managers W. P. Robertson and W. H. Riker, W. A. Osgood, manager, and Richard Osgood, field superintendent, Indemnity of North America in the west, and Stockton Rush, marine superintendent.

* * *

W. H. Menn and Eugene Battles, past presidents of the California Association of Insurance Agents, and H. M. McKnight, vice-president of the Insurance Exchange of Los Angeles, were on hand.

* * *

Charles Lyeurgus Gandy of Birmingham, immediate past president, drove up to Grand Rapids, being accompanied by Mrs. Gandy and her friend, Mrs. Houston Cryer, and F. H. Smith of Birmingham, who is secretary of both the Birmingham Board and the Alabama association.



PROGRESSIVE AGENTS *appreciate* PROGRESSIVE COMPANIES

The Western Insurance Companies Increased
Their Premiums \$452,886 in Seven Months

PROOF that Agents appreciate the dependable and friendly service of The Western Insurance Companies is found in the record of steady progress in premium volume. With the increase in volume, greatest care has been exercised in the selection of risks as evidenced by an improvement in the loss ratio.

The record for the first seven months of 1934, compared with the corresponding months of 1933, is a record of success in production and of good underwriting.

YEAR	PREMIUMS WRITTEN	LOSSES PAID	LOSS RATIO
1934	\$1,952,374	\$1,037,306	53.1
1933	1 499,488	917,774	61.2
GAIN	\$ 452,886	\$ 119,532	

Complete facilities for writing fire, tornado, automobile and casualty insurance, and fidelity and surety bonds.

THE WESTERN CASUALTY AND SURETY COMPANY
THE WESTERN FIRE INSURANCE COMPANY

HOME OFFICE - FORT SCOTT, KANSAS

New Executive Is Fully Qualified

(CONTINUED FROM PAGE 5)

Chase agency at Fall River and opened his own agency in 1908. He maintains his business under his own name and has no partners. His son, Forrest, is associated with him. He became a member of the Massachusetts association in 1918 and a year later became a member of the executive committee.

Kenneth H. Bair of Greensburg, Pa., was elected chairman of the executive committee. The nominating committee was in session but a few minutes. There had been some talk beforehand of an opposing candidate to Mr. Bair but none developed.

Mr. Bair is head of the agency of Kenneth H. Bair & Co. His father, E. H. Bair, established the agency in 1882, it then being conducted under the name of Bair & Lane. Kenneth Bair graduated from Pennsylvania State College in 1912 and entered insurance right after graduation in his father's agency. He served the Pennsylvania Association of Insurance Agents as president for three years and was on its executive committee previous to that. He is ending two years on the National association ex-

ecutive committee. Mr. Bair is a man well qualified for the chairmanship of the executive committee. He is widely known among the members and has rendered splendid service on the committee. He is chairman of the West Moreland county chapter of the Red Cross.

President Allan I. Wolff retires from the presidency with the assurance that he enjoys the confidence and respect of all the members. His administration has been successful in presenting the agency cause intelligently and forcefully. He has served during a trying year. By precedent he will be a member of the executive committee during the new administration. His experience gained during the time he has been at the head of the organization will be most valuable to the new committee.

Woodworth Memorial Goes to W. E. Harrington

The following were the prize winners for attendance at business sessions: Thomas J. Hendon, Detroit, D. W. Howland, Birmingham, Mich., W. J. Pfleger, Milwaukee, Harry Lebuda, Lansing, Mich., P. K. Reno, Wayland, Mich., George Kent, Barre, Vt., J. C. McCarthy, Pittsburgh, and K. H. Bair.

W. Eugene Harrington, Atlanta, was awarded the Woodworth memorial, it going to the member who has rendered

the most signal service for the American agency system for the year. Mr. Harrington is a former president of the National association and rendered notable service during the year as chairman of the workmen's compensation committee.

South Carolina captured the president's cup awarded to the state association making the largest percentage increase during the year. A year ago it had 83 members. On Sept. 1 it had 172. Net increase 89 or 107 percent.

The Des Moines attendance cup went to Ohio. It is awarded the state association having the largest number of members registered at the convention except the home state. It had 26 men registered. The Detroit association cup went to California, it going to the state association showing the greatest combined mileage of members at the convention. California had 11 members present, the combined round trip mileage being 58,564.

President Allan I. Wolff had the sympathy of all in his official work of the convention owing to the tragic death of Mrs. Wolff in an automobile accident near Albion, Mich., last summer as they were motoring home from the New York state meeting. At the opening of the Friday session, Mr. Wolff referred to the ordeal under which he was laboring

and asked the indulgence of the audience. Mrs. Wolff had planned to attend and take her place as the first lady of this convention. At the close of the last session the president's wife always is escorted to the platform to receive with her husband the acclaim of the members and be the joint recipient of the gift presented to the retiring president. It was this closing session therefore that affected Mr. Wolff particularly.

The three presiding officers of the local board conferences reported on the gatherings Tuesday, they being C. C. Eubank, Ogden, Utah; C. E. Swope, Louisville, and Monroe Porth, Milwaukee.

Reports were heard from the group meetings on agency management and operation by C. T. Buckman, Visalia, Cal., F. P. O'Connor, Lima, O., and W. Herbert Stewart, Chicago.

W. E. Harrington, Atlanta, introduced a resolution in tribute to the work and life of the late Vice President R. J. Sullivan of the Travelers who did yeoman service in connection with the joint agency-company conferences in the effort to evolve some constructive plan for remedying the compensation conditions.

E. J. Cole reported on the meeting of state officers Tuesday. John K. Boyce, Amarillo, Tex., chairman resolutions committee, before presenting the report, paid tribute to the Michigan and Grand Rapids agents for their hospitality and attention.

Clyde Smith of Lansing sponsored a motion of appreciation for President Wolff's partners in his agency at Chicago for their willingness in allowing him so much time to carry on the important work of his office.

B. C. Lankford of Spartanburg, S. C., received the president's cup for his state body. Theodore Safford of Cincinnati received the attendance cup for the Ohio association.

C. T. Buckman Accepts the Cup for California

President C. T. Buckman of the California association received the Detroit cup for his state body. President Wolff in awarding the Woodworth memorial to Mr. Harrington paid signal tribute to his magnificent service. Mr. Harrington's public utterances are always finished and he rose to the occasion in his acceptance. W. H. Menn of Los Angeles, reporting for the nominating committee, said his committee consumed only nine minutes in its deliberations.

As Mr. Cole was on the platform, President Wolff stated he needed no escort to his new presidential post. C. L. Gandy of Birmingham and John K. Boyce of Amarillo, Tex., brought the new executive committee chairman, Kenneth H. Bair, to the platform. W. H. Menn of Los Angeles, on behalf of the members presented retiring President Wolff with a choice office desk and chair. The desk is a replica of one made for William K. Vanderbilt and is one of Grand Rapids' finest products. President Wolff's response was perhaps the topmost expression of his administration.

Miss Gladys Cole, daughter of the new president, was escorted to the rostrum by C. B. H. Loventhal of Nashville. Secretary W. H. Bennett officiated in the closing ceremonies in casting the ballot for the two new officials. Mr. Cole made his bow with some comment as to the peculiar economic conditions, stating the organization would meet all demands with the best ability of its management. He said the door is still open for the companies to establish close conference relations with the agents.

Mr. Bair expressed his desire to do his utmost for the advancement of the organization. Mr. Wolff introduced Miss Cole who made a few remarks. She has been at every convention since the association met in Detroit in 1929. W. B. Calhoun of Milwaukee led the audience in singing Auld Lang Syne with Paul A. Colwell of Providence at the piano, which closed the convention.

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Many Subjects Up at Thursday Meet

(CONTINUED FROM PAGE 6)

Wolff stated that the Illinois law licensing London Lloyds is not a very great blessing because these groups are permitted to operate on a much more liberal basis than other carriers.

Insurance Commissioner G. W. Brown of Minnesota was escorted to the convention hall by C. F. Liscomb of Duluth, member of the national executive committee. Mr. Brown is president of the Insurance Commissioners Convention. His talk centered largely about the relations of agents to the department and state. He made a very pleasing impression on his hearers.

C. W. Pierce of New York City, vice-president of the America Fore group, was in excellent trim, possesses a crying voice and presented his subject in a forceful way. He was dealing with mutual competition. He stated that P. D. Betterley the day before naturally confined his observations to large buyers of insurance. Mr. Pierce said that he saw eye to eye with him on many subjects. Mr. Pierce said there is no magic wand to solve the question of competition. It requires hard work and clear thinking. He characterized price salesmanship as cheap salesmanship.

Buffalo Agent Urges More Positive Methods

H. B. Rice of the Deuel, Lapey agency of Buffalo in discussing Mr. Pierce's address estimated that about 10 percent of the members of the association represent mutuals. He said that an agent must be a student of the business. He considers insurance more a service than a commodity. He thinks that the usual insurance selling approach is too negative. This has a weakening and ineffective result. At times, he said, it is hazardous. He said that the standard needs to be raised and there should be a

positive program prepared. He feels that there can be a material improvement in mapping out plans to meet outside competition. He thinks that there should be developed an agency-company conference to discuss the subject and improve the facilities. There should be, he said, a keener sense of appreciation of stock company insurance service. He advised the accumulation of data for the exclusive use of stock company agents.

In speaking of separation he said it is a company privilege and responsibility. He acknowledged that it is sound in principle. He said that it is inconsistent for companies to say they will not be represented in an office if other companies not belonging to some association or club are in the agency and yet consort with mutuals through reinsurance or membership in pools or allowing them to use stock company services.

Petition is Presented by the National Council

Mr. Rice said that the preparation of plans for meeting competition should go beyond fire insurance in any positive program agreed upon. The Buffalo Board and the New York state association, he said, had appealed to the National association for a broader program to meet this competition. The fundamentals, he said, should be recognized and when the facts are ascertained action should follow.

Mr. Eubank on behalf of the National Council submitted the following motion: "The importance of an improvement in the general operating methods to the end that unnecessary sales resistance be reduced is increasingly apparent to both agents and companies. The inherent possibilities of a cooperative effort warrant our most serious consideration. The National Council recom-

mends the appointment of a committee of three by the executive committee to discuss with the Insurance Executives Association the development of such a program and it is moved that the committee be instructed to report its recommendations to this association at its next regular meeting."

P. O. Landry of Klamath Falls, Ore., stated that a standard policy should be devised for all classes and furthermore he said that nonstock carriers should be required to operate on the same general basic requirements as stock companies.

Harrington Presented Compensation Report

W. E. Harrington of Atlanta, chairman of the compensation committee, presented its report. He stated that when companies weaken in yielding to any state demand for decrease in acquisition cost this weakens their position on any effort to maintain the right level of administrative costs.

Frederick Hickman, Atlantic City, said that agents must justify their commissions on compensation business. Only a few states have a loss ratio less than 60 percent which is the percentage allowed. Three have a loss ratio less than 65 percent. Others run up to as high as 113 percent. Mr. Hickman said that the hazards must be reduced to a minimum and then rates can be more accurately determined. He said that agents should work toward producing a profit for their own offices and also for their states. When this is done then they should demand that the companies stay in the compensation field.

C. E. Fisher, Muncie, Ind., contended that there are well known abuses in the compensation field and they are increasing the cost. He said the public should be made aware of what these abuses are.

F. V. Bruns, Syracuse, N. Y., said that the inertia of employers and insurance companies has resulted in the bene-

fits paid under compensation laws to get entirely out of hand. An industry finds its compensation costs too high and moves to another state. Then very likely the law of its new state is amended so that its cost is as high or even higher than it was before.

Mr. Bruns said that 15 years ago he suggested a sliding scale of commissions. If compensation is taken away from the regular companies the agents, he said, will be the real sufferers. He urged that the states get back to normal levels in payment for injuries sustained. Mr. Bruns said that it will be necessary to get in touch with organized labor and in a frank way present the situation as it is. He said that it should be ascertained what is the normal and right payment and what industry can really stand. If eventually workmen's compensation insurance goes to monopolistic state funds the plan will be extended to other lines. The income of many agents on their compensation writings is large. He said that organized labor is responsible for the more liberal laws which have gradually increased the cost of compensation.

R. W. Thompson, Dallas, feels that when an effort is made to amend a law one feature alone should be selected and the attack made on it.

The concluding feature of the Thursday morning session was the report of the branch office committee.

They Look Alike

A. H. Clevenger, who was formerly vice-president of the Lumbermen's and Philadelphia National and has now gone to the Fire Association group since his two companies have been taken over, attended his first national convention.

* * *

Some of the conventioners had difficulty in telling who was who when Assistant Secretary J. B. Miller and G. W. Scott of the head office staff of the National Association of Insurance Agents appeared, especially when they came singly. They bear quite a resemblance to one another.

THE STANDARD FIRE INSURANCE COMPANY

OF

NEW JERSEY, TRENTON

1868

1934



WE extend sincere felicitations to the Agents, the men who make splendid insurance companies possible, and successes inevitable. And had there been Agents' Conventions sixty-six years ago, the Standard would have extended the same greetings.

To build successful agencies and to give those agencies unstinted support is and always has been one of the main planks in our platform of insurance co-operation. We reserve the right to serve our agents cheerfully and whole-heartedly at all times.

Mr. Chairman!

It is in order to remind all legitimate agents that Associated Indemnity Corporation and Associated Fire & Marine Insurance Company (Auto Fire and Theft) weathered the storms of depression without the need for any outside financing.

THEY WERE ORGANIZED to withstand such shocks—and are managed to provide the most liberal coverage at rates consistent with exacting safety requirements.

PROGRESSIVE in operation — CONSERVATIVE in underwriting, they have pioneered in giving advantages to agents. Associated Indemnity Corporation issues participating workmen's compensation contracts to large risks—the REAL solution to the compensation problem—and is one of the FEW companies writing this line successfully since 1922.

Inquiries are solicited from high grade agencies writing miscellaneous casualty and automobile lines.

Associated Indemnity Corporation

ASSOCIATED FIRE & MARINE INSURANCE COMPANY

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REPORT OF COMPENSATION COMMITTEE

(CONTINUED FROM PAGE 6)

for the purpose of recommendation to the fall convention. Your executive committee has authorized this committee to proceed along that line and we are hopeful of its accomplishment. Your executive committee, at the request of this committee, has considered the advisability of proceeding with separate filings by stock carriers pending action by the insurance commissioners convention, and has determined the course of procedure in the following resolutions:

"Due to the fact that the insurance commissioners convention has not passed upon the joint contribution plan embodied in the workmen's compensation rate agreement arrived at in conference by the compensation committee of the National Association of Insurance Agents, the stock companies and general agents, it is the opinion of the executive committee of the National association that notwithstanding our belief in the efficacy of the joint contribution plan, the attitude of our association should be in favor of supporting compensation rate filings with usual administration and acquisition cost factors, in each state where filings have been or where they are to be made, until the commissioners' convention shall have acted upon the proposed new plan. The executive committee recommends that the state associations assist the National Bureau in every way in securing the approval of the above temporary program."

Cooperating with Companies in Getting State Approval

We now specifically direct your attention to that part of the resolution reading: "recommends that the state associations assist the National Bureau in every way in securing approval of the temporary program." For this purpose each state is requested to appoint a thoroughly informed committee with whom a representative of the National Bureau will confer as rate filings are made in each state. It is hoped that state authorities will recognize the seriousness of the situation as it more vitally affects local employers and employees, many of whom are now faced with difficulty in securing insurance, and producers whose very existence is threatened.

This committee is convinced that aside from the loss experienced, neither stock carriers nor their agents are being adequately reimbursed for the actual expense of conducting this highly technical and service-demanding branch of insurance. One in that respect is just as bad off as the other. In its treatment both must share and share alike. That is the very essence of the joint contribution plan. It entails a sacrifice on the part of both, each contributing in the same degree, that the greater problem of enabling stock insurance to service this branch of the business might be solved. Losses, loss expense and taxes must be paid by an adequate rate structure—anything else is confiscation. The same is true of expense, yet we say companies and agents alike will shoulder the burden of inadequate expense level as it existed Dec. 31, 1933 and set ourselves to the task of applying every degree of efficiency to our operations and within ourselves attempt to accomplish the necessary end. This, I respectfully submit, in an era of rising costs of those whom we serve is an example quite worthy of the great institution of insurance.

Pending, however, the final disposition of this plan by the commissioners, suggestions may be made where requested full filings are not granted, that acquisition cost shall be sacrificed. Should any state association be confronted with that suggestion, this committee with the approval of your executive committee takes the unalterable position:

1. It is fundamentally unsound and

improper that losses in excess of an approved rate level shall be paid from the commissions of the agents.

2. That rating formulae should be uniform and nondiscriminatory.

3. Aside from the injustice to the agent such a procedure would inevitably extend to administrative factors, already, together with acquisition, inadequate.

This procedure is essential pending final disposition of the joint contribution plan by the insurance commissioners convention. If then adopted, it is anticipated that future filings will be on that basis.

It is well at this juncture that our membership give consideration to some phases of this problem apart from rate structures. Workmen's compensation legislation was the result of a social evolution having for its objective the reimbursement of injured employees for loss suffered as the result of industrial accident. Its benefits were designed for the benefit of the injured employee alone, not for the benefit of the insurance companies, nor for the capital that employed him.

During the intervening years this social evolution has developed into a

Past and Present Leaders Given a Hand at Banquet

At the get-together dinner in the Civic Auditorium 800 were present. President Allan I. Wolff was in charge and presented the past presidents who were on hand, they being: W. E. Harrington, Atlanta; Clyde Smith, Lansing, Mich.; W. B. Calhoun, Milwaukee; A. W. Neale, Cleveland; C. E. Roth, Buffalo, and C. L. Gandy, Birmingham. He also introduced Frank T. Priest of Wichita, the finance chairman. E. J. Cole of Fall River, Mass., executive committee chairman, introduced his associates on the committee, C. F. Liscomb, Duluth; K. H. Bair, Greensburg, Pa.; Eugene Battles, Los Angeles; Albert Dodge, Buffalo; C. L. Gandy, Birmingham; S. O. Smith, Gainesville, Ga.; W. O. Wilson, Richmond, Va. Secretary W. H. Bennett was also introduced.

C. E. Gauss paid a notable tribute to Governor W. A. Comstock of Michigan who, he said, had cooperated actively in promoting the work of the department. He said an insurance department should be free from political influence. W. G. McCune of Petoskey, retiring president of the Michigan association, and J. M. Crosby, Jr., president Grand Rapids association, extended welcomes. E. J. Cole responded. Ernest Palmer, Illinois insurance director was a speaker.

Two Charter Members of Michigan Body Presented

Mr. McCune introduced two charter members of the Michigan association who were present at the first meeting in 1896, C. H. Garrett of Kalamazoo and Gustav Schmemmann of Detroit.

He also presented the past presidents who attended the banquet, they being Phil J. Braun, Flint; Fred L. Winter, Muskegon; G. Earle McVoy, Grand Rapids; Charles G. Watkins, Grand Rapids; James M. Crosby, Grand Rapids; S. R. Birchard, Bay City; Lee A. Dudley, Battle Creek; Charles E. Freese, Detroit; George J. Lieber, Detroit; Clyde B. Smith, Lansing; John P. Old, Sault Ste. Marie; O. A. Jenison, Lansing, and George M. Goodell, Lansing.

The post-prandial part of the program moved rapidly and was snappy. The professional entertainment provided by the Grand Rapids agents was of an exceedingly high order and the participants did some marvelously clever work.

further expression of greater benefits and has gradually entered the field of occupational diseases. The original belief that prevailed on the part of insurance companies was that this was a form of insurance from which private capital might derive a profit. Consideration was not given to the fact that this social evolution was of a progressive character. States on the one hand imposed restrictions as to rate and concurrently on the other regarded themselves protectors of beneficiaries with an ever broadening scope of interpretation of existing laws and enlargement of the benefits through new legislation. The history of rate making has demonstrated the inability to keep pace with the rapidly changing situation. This is disclosed through the many millions of dollars of underwriting losses reported by stock companies in their annual statements. In addition to this it is startling and discouraging that over a period of five to six years a number of companies were unable to accurately determine the ultimate cost of their outstanding workmen's compensation losses to the extent of \$22,000,000 or were 15 percent inadequate. It is well that we recognize that the history of the past is a forerunner perhaps in a very small degree of the immediate probability of the future. Certainly the nation today is talking in terms of social welfare embracing old age indemnity, inability to work either caused by sickness, accident, or unemployment, and it would be shortsighted to attempt to convince ourselves that this situation does not have a very direct bearing on the future of workmen's compensation insurance as we know it today. Should we require any evidence of the crisis we only need to view the rapidly increasing record of reopened cases and those arising out of occupational disease.

The recent decision in Illinois resulted, I am reliably informed, in the filing of 250 claims in one day immediately following the decision and that, coupled with the recent North Carolina

decision, threatens the loss of many hundreds of thousands of dollars never contemplated in our rate structure. These facts of the immediate past coupled with the trend of the immediate present undoubtedly have aroused in the minds of some a question whether it will be possible for private capital to chart these unexplored fields.

A state of demoralization exists resulting in the withdrawal of some carriers and certainly the restriction of others with the consequent serious disturbance of the business of the producers. There is no reason to believe that this so called social evolution which has already taken its toll from insurance carriers shall not continue or increase in its momentum in view of the existing national mental attitude. A state of panic or abandonment is not the answer. After all, the problem is on the door step of the employer. It is his responsibility—we are merely the medium of discharging it—the cost is necessarily his, not ours. Failing to meet it through insurance, it must be met by taxation or state administration. You heard on the floor of this convention today an insurance buyer state a preference for insurance to perform these functions. It is a challenge to insurance to be met—not to be abandoned. We are entitled and it is to the interest of the employer to see that we are provided with adequate income to discharge his obligations. Certainly the business of insurance can determine the cost, and once being determined should courageously require its payment.

Convention Notes

The annual ball Thursday evening was a brilliant affair. The grand prize, a handsome set of furniture, was won by W. E. Luckenbacher of Detroit.

* * *

On Monday evening the Home of New York delegation gave a dinner for Vice-President Harold V. Smith, it being his 46th birthday anniversary.

Stability Conservatism Dependability

that is today demanded in a company by agents and policyholders is found in the NORTHWESTERN. Here is an organization giving that service which enables an agent to hold business.

There may be an opportunity to represent the NORTHWESTERN in your community. Write if interested.

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New Orleans,
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LOSSES SETTLED PROMPTLY IN ALL PRINCIPAL CITIES OF THE WORLD

STATEMENT AS OF JUNE 30, 1934

ASSETS	
Mortgage Loans	\$ 103,950.00
*Bonds and Stocks	7,107,653.33
Cash on Deposit	738,848.76
Premiums in Course of Collection	849,873.95
Reinsurance Recoverable on Paid Losses	40,850.35
Interest Accrued	38,098.63
Missouri Premiums Impounded	53,538.22
	\$8,932,813.24
LIABILITIES	
Unearned Premium Reserve	\$3,840,899.83
Unadjusted Losses	265,881.00
Missouri Impounded Premiums	52,863.29
Minnesota Surcharge	182.89
Voluntary Reserve	150,000.00
†Contingency Reserve	185,158.56
Capital Stock	\$1,000,000.00
Net Surplus	3,437,827.67
	\$8,932,813.24

*Valuations on basis approved by National Convention of Insurance Commissioners.

†Contingency Reserve, represents difference between value carried in assets and actual June 30, 1934, value.

Incorporated 1897

Northern
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GENERAL INSURANCE — WORLD-WIDE

First Day Session Most Enthusiastic

(CONTINUED FROM PAGE 6)

he was accorded a veritable reception. In fact he had to quiet the audience himself so he could proceed. It was a wonderful tribute to a real leader. At the close of his address he too was shown especial respect by long applause and the entire audience rising. During his address his remarks were often punctuated with applause.

Mr. Bennett does not read his productions. He is oratorical in tone and liberal with his gestures. At times he is dramatic. In referring to London Lloyds he said that it had been reported that these organizations take \$100,000,000 a year in premiums from banks in the United States. Mr. Bennett said that no insurance organization of whatever character should be allowed to operate unless there was an equality of operations. He scored London Lloyds as sneaking in through the back door.

Shows Need for Aroused Stand of the Public

He said there is need of an aroused public opinion to instigate means to control these unlicensed institutions. He said that there should be no company allowed to transact business through the mails in any capacity or use the instrumentalities of interstate commerce unless it is properly licensed in the state where the person or property is located on which insurance is being taken. He said that any company or institution should be annihilated if it does not abide by the laws of the state in which it desires to write business. Mr. Bennett made a definite suggestion to cure this evil by urging that a federal statute be enacted as follows:

"It shall be unlawful for any individual, partnership, association or corporation, directly or indirectly, to use the mails of the United States or any means or instrumentality of interstate commerce, for the purpose of soliciting, negotiating or effecting contracts of insurance, or for the purpose of collecting premiums on insurance contracts, or to report any such transaction, unless such individual, partnership, association or corporation shall comply with the insurance laws of the respective states

where such contracts are solicited, negotiated or effected, or the laws of the respective states where the property insured or the subject matter of the insurance is located."

P. D. Betterley of Worcester, Mass., assistant treasurer the Graton & Knight Company, who gained distinction in insurance as being former chairman of the insurance division of the American Management Association, was very outspoken and direct in criticizing some of the inconsistencies, ambiguities and backwardness in insurance operations. He said that the insurance business should correct itself. The buyers, he claimed, are not seeking governmental regulation of insurance along lines where insurance should regulate itself unless the industry itself fails to remedy apparent injustices. He urged the establishment of a central research bureau or laboratory where insurance can study itself, its opportunities, its shortcomings and where complaints can be lodged and insurance buyers thus have a place where they can meet with expert insurance opinion and authority.

Telegrams of Greetings Were Read from Absentees

Telegrams of greetings were read from E. S. Hawley of Buffalo, who will be 88 years of age Oct. 18; Miss Julia Hindman of Nashville, for so many years secretary of the Tennessee association; Joseph Parrault of Boise, president of the Idaho association, and former National Presidents C. C. Jones of Kansas City and George D. Markham of St. Louis.

Following the invocation President Wolff referred feelingly to the death of former President Percy Goodwin of San Diego, Calif., and called W. H. Menn of Los Angeles to the platform who presented the Goodwin memorial.

At the afternoon session Wednesday W. A. Reisert of Louisville, chairman of the legislative committee, told what the association had done with several bills relating to insurance in Congress. He called attention to the fact that next year will be important as so many state legislatures will meet. W. P. Fischer of

Two of the Group Leaders



W. HERBERT STEWART, Chicago



FRANCIS P. O'CONNOR, Lima, O.

Thursday afternoon was featured by the round-table discussion on agency management and operation at the meeting of the National Association of Insurance Agents at Grand Rapids, the delegates being divided into three groups. C. T. Buckman of Visalia, president California Association of Insurance Agents, presided over the group of agents producing up to \$100,000 in premiums. F. P. O'Connor of Lima, O., vice-president of the Ohio Association of Insurance Agents, headed the second group, those being from \$100,000 to \$300,000 in premiums. W. Herbert Stewart of Stewart-Keator-Kessberger & Lederer of Chicago was presiding over the high bracket group.

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West Palm Beach, chairman of the fire and accident prevention committee, in his report said there are now 15 state associations that have standing committees on this subject. Mr. Betterley, in his address, laid stress on the importance of prevention work and left the impression that not enough work of this kind was being done.

Hendon Chubb, well-known marine man of New York City, gave an address at the afternoon session reciting the history and development of ocean marine and inland marine insurance. He referred to the remarks of President Wolff who recited an experience of an assured who had an inland marine policy with a clause that he did not understand. He had his agent write to the head offices of these companies and received a reply stating that if the policyholder could not understand this clause he should consult an attorney. Mr. Chubb facetiously remarked that these replies must have come from fire

insurance executives who were just dipping into the inland marine field.

Mr. Chubb stressed the necessity of companies meeting the constantly changing demands of the times. He said it is suicidal to stand still. At the same time he said that he did not sympathize with companies violating their pledges to fire organizations by using inland marine insurance.

C. O. Ransom, president Cleveland Insurance Board, who was appointed to discuss Mr. Chubb's paper, was not able to get a rise out of the audience. He called on two or three but they side-stepped the issue. Mr. Chubb evidently did not desire to enter the discussion and accordingly Mr. Ransom made some personal observations. He advocated the discontinuance of the term "inland marine" and suggested a better name as "mobile coverage." In other words he stated that it should be illegal to write a marine policy on stationary property. A marine policy

should only be used on moving property.

Mr. Ransom said:

"What I may say in this comment is said by me as an individual and is not to be construed as representing a point of view held by any association with which I am connected.

"The Ohio superintendent of insurance recently ruled that property which was stationary cannot be written as marine insurance but that property which leaves its home may be written under marine insurance while on its way to its destination even though this destination may be home again. This ruling would seem to help to clarify the thought as to inland marine insurance. Stationary property fundamentally should be covered under a policy which is not marine insurance, just as the Ohio superintendent states but heretofore this property could be covered either under the usual form of policy covering stationary property or under an inland marine or marine policy. This conflict in modes of coverage has led to difficulty and possibly the Ohio ruling points out a method which might be followed advantageously in future.

"If the charter privileges of an insurance company permit it to write inland marine insurance and its many perils as well as such perils as are usually covered under a policy applying to stationary property, this same insurance company can cover as many of these perils under a stationary policy as it wishes to cover. Then having covered the stationary property it can attach an endorsement to its stationary policy extending the policy or some percentage of it to cover certain named perils, not necessarily identical with those under the stationary policy, to cover moving property. We then would have a logical coverage of either or both types of property and a large field for all companies whose charter provisions are suitable.

J. W. Henry Tells of the Automobile Possibilities

"I suggest that the protection granted by such an endorsement be called 'mobile coverage' and that the confusing and almost meaningless term 'inland marine insurance' be discontinued."

J. W. Henry of Pittsburgh, newly elected president of the Pennsylvania association, told about the possibilities of building business through automobile lines. He said the automobile industry itself has led in the movement toward recovery. The manufacturers, he said, have resorted to hard work, resourcefulness and courage, with the result that they have done much to increase the output and sales.

H. B. Nelson of Jersey City, chairman membership committee, reported 11,276 members as of Sept. 1, a gain of 234. There were 2,269 new members taken in last year. California has the largest membership, its roster being 2,269.

Awarded Woodworth Cup for His Service



W. EUGENE HARRINGTON, Atlanta, Ga.

W. E. Harrington of Atlanta, Ga., is chairman of the compensation conference committee that has been dealing with the companies. He is a former president of the National Association of Insurance Agents and is one of its best known boosters. At the Grand Rapids convention he was awarded the Woodworth memorial, which is presented each year to the agent deemed to have made the greatest contribution to the agency system.

Convention Notes

The Springfield Fire & Marine established headquarters with Assistant Western Manager E. G. Frazier in charge.

* * *

S. H. Quackenbush of Freeport, Ill., western manager of the Westchester, and W. A. Seeley, agency superintendent of the Crum & Forster group, represented that office at the convention.

* * *

J. K. Boyce of Amarillo, Texas, was appointed chairman of the resolutions committee and W. H. Menn of Los Angeles, chairman of the nominating committee.

* * *

William Leslie, associate manager of the National Bureau of Casualty & Surety Underwriters, arrived Monday and was in conference with the compensation committee.

* * *

F. F. Ludolph, secretary of the San Antonio Insurance Exchange, attended his 17th consecutive annual convention. Texas always sends very strong men to the national meetings.

* * *

E. J. Cole of Fall River, Mass., was accompanied by his son, Forrest, who is associated with him in his agency, and his daughter, Miss Gladys, the real "daughter of the regiment."

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SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE

VANCOUVER

TULSA

COMMISSIONER BROWN GIVES ADVICE

(CONTINUED FROM PAGE 8)

Misrepresentation is most damaging to companies. Ill-founded rumors which had inception in careless or deliberate misstatements may produce calamitous results. Special rumors were circulated about a company a few years ago, forcing it to request prompt examination by the states in which it operated. The examinations disclosed it was in excellent condition and had a large surplus.

Indirect Misrepresentation Is Also Very Harmful

Producers must also refrain from indirect misrepresentation, such as circulating pamphlets, circulars, newspapers, etc., containing articles not founded on fact and detrimental to companies or competitors.

Twisting is another unholy practice which must be wholly condemned. Commissioner Brown said it is far too common and like misrepresentation is prohibited by statute in most states. Commissioner Brown said that while the argument used by twisting agents is that no damage resulted to the assured, there are but few instances where some element of substantial damage to him could not be established.

Almost uniformly, state laws specifically prohibit fraud, deception and dishonesty in insurance transactions, and, with less uniformity, prohibit agents from obtaining commissions from insurance on their own lives or property until a specified time has elapsed following license.

When an agent accepts appointment to represent a company, he voluntarily assumes certain obligations which may be expressed in the written contract or which have been established by long continued practice between companies and agents. There is no reason why agents should not consider such implied obligation as binding and obligatory as restrictions and duties imposed by law.

Immediate Transmission of Applications Essential

Agents owe a duty to transmit applications for insurance expeditiously. It is not uncommon in complaints to insurance departments, to find the applicant failed to receive a policy due to agent's failure to transmit the application to company within a reasonable time. There may be serious consequences from such negligence. The company cannot reasonably be expected to assume liability for a risk of which it has no knowledge.

Agents should not assume authority not expressly conferred upon them by their principals, or which may not reasonably be implied from the agency contract. Serious legal controversies have arisen from attempts of agents to bind principals beyond the scope of authority. It frequently occurs that agents who have been instructed they are not per-

mitted to bind principals by oral contract, but that the company reserves right of acceptance or rejection of the risk, have told applicants that the risks are covered either at time of submission to the agents or some specified time prior to receipt by the companies.

It is assumed in the purchase of insurance that it is a cash transaction. Barter and trade are prohibited.

Aetna Theater Big Feature Exhibit, Safety Film Shown

One of the features of the convention was the Aetna Casualty's safety and educational exhibit. In the interests of highway safety, the Aetna Casualty produced a new talking picture, "Saving Seconds" which was presented for the first time at the Aetna theater, which was part of the Aetna exhibit. The film, "Saving Seconds," presents a series of automobile accidents, their causes and illustrating the folly of trying to gain time by exposing one's self and companions to danger of accident. The film carried obvious lessons. The exhibit was one of the centers of attraction. Tickets to the show were given all the conventioners.

Included in the program at the Aetna theater in addition to the main attraction, "Saving Seconds," was a slide film presentation on "Education and Planned Selling," in which the principal steps in the Aetna plan survey method of systematic selling were illustrated and explained, and in which the numerous Aetna educational and sales aids were mentioned.

The idea of systematic selling was brought out by means of large 4'x7' photographic murals placed about the main lobby and on the mezzanine.

The invitations to delegates to attend the Aetna theater were also unique. Upon arrival at Grand Rapids members of the National association and their guests received regulation theater tickets admitting them to the prelude of "Saving Seconds" in the Aetna theater.

The lounge of the Aetna theater was arranged with comfortable davenports and lounging chairs. For the benefit of those who came to the convention by automobile, road maps and descriptive literature of Michigan and also trans-continental road maps were available as part of Aetna's touring service.

At the end of the lobby a huge illuminated Aetna seal combined with a clock dial announced the time of each performance at the Aetna theater.

The Aetna Casualty people at its headquarters were Vice-President R. I. Catlin, H. C. Pulver of the publicity department; C. G. Hallowell, assistant agency manager from the home office; C. E. L. Burwede, manager at Grand Rapids; Manager J. F. Horton, and Assistant Manager H. J. Crowder of De-

troit. Vice-president Alfred Stinson of the Automobile and Standard Fire of Hartford was also on hand.

Convention Notes

C. A. Barkle, vice-president of the Norwich Union Indemnity, attended having as his right hand bower, W. R. Moony of Chicago, western manager.

The Minnesota agents gave a luncheon Thursday noon so that Commissioner Brown of their state could be entertained.

C. A. Siebold of Jones & Whitlock of New York was on hand accompanied by A. H. Grupe, manager of the Chicago office.

Wyoming had a delegation from its state association, there being present T. O. Cowgill, Cody, president, and C. V. Davis, Sheridan, national councillor.

The southern agents' conference held a meeting Thursday afternoon as did the

Indiana agents. The Ohio agents had a meeting Wednesday afternoon.

R. P. DeVan of Charleston, W. Va., former national president, and now mayor of his city, telegraphed his greetings.

Henry A. Steckler of New Orleans, president American Association of Insurance General Agents, brought greetings from his body.

R. E. Maginnis of Chicago, special agent of the American District Telegraph Company, attended the meeting and had the opportunity of explaining the A. D. T. service to a number of people.

Spencer Welton, vice-president of the American Bonding, conventioneer extraordinary, as usual reported. Another hardened conventioneer who always attends is J. G. Yost from the head office of the Fidelity & Deposit.

C. W. French, familiarly known to his intimates as "Bill," president of the Seaboard Surety, mingled with the crowd.

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J. H. Vreeland, Manager—J. H. McCormick, Secretary

Assets, \$8,367,393.56

Liabilities, \$4,254,201.19

Policy Holders Surplus, \$4,113,192.37

AMERICAN UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, Pres.—J. H. McCormick, V. Pres.

Assets, \$2,634,926.93—Liabilities, \$570,853.44

Policy Holders Surplus, \$2,068,741.04



CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, Pres.—J. H. McCormick, V. Pres.

Assets, \$1,223,942.91—Liabilities, \$161,904.69

Policy Holders Surplus, \$1,077,550.26

Policy Holders Surplus Actual Market Quotations as of June 30, 1934

● The Companies of this Group are entirely local agency companies, both in the letter and in spirit observing the principles of the American Agency System. A complete portfolio of lines is written: Fire, Windstorm, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.

SWAP IDEAS ON AGENCY MANAGEMENT

(CONTINUED FROM PAGE 7)

The popularity of the group sessions was evident when the members attending the group 2 meeting unanimously voted to ask the executive committee to allow more time for this feature at future conventions. Many members were outspoken in their statement that these sessions, informal in character, were of far more benefit than the prepared papers read at the regular meetings.

Present Customers Are Best Source of Business

F. V. Bruns of Syracuse, N. Y. stated the depression had cut most agencies in the \$100,000 to \$300,000 class down to a one man proposition. He claimed that the agents had had to go back to work and could no longer depend on their office forces. Now that the agent's time means more than it formerly does, Mr. Bruns went on to say, many agents in his class are finding that their old office systems were far too complicated and have had to cut out everything but essentials and details in order to give their personal attention to the solicitation of business.

J. B. Allen of Sioux Falls, S. D., struck a sympathetic note when he stated that agents generally are finding their present customers the best sources of new business. He stated that he has been surprised at the volume of new premiums which he was able to obtain from his old assured. Various suggestions for increasing business from old customers followed, among the most noteworthy of which were mapping business in a town, adding explosion insurance to all fire insurance policies, rental value to all dwelling policies and tornado and hail to all fire insurance contracts. Surveys were generally approved and many agents reported them their best source of new business.

L. L. Sertel Has Had No Bad Debts in 2½ Years

L. L. Sertel of Miami, astounded the group with his statement that his agency had had no bad debts in 2½ years. Mr. Sertel ascribed his success to the practice of checking the credit of every insured before writing a policy.

The discussion of employment of solicitors brought forth a number of expressions of disapproval of the practice for agencies of this size. All agreed that the salary basis for solicitors was the most satisfactory, with bonus and other arrangements to take care of increases in production.

The last subject discussed was "Agency Management." Dudley Giberson of Alton, Ill., who acted as secretary of the meeting, carried on the work begun by his late father, J. A. Giberson, with a short talk on the advantages of keeping accurate records of the ratios of the different items of expense to the premiums collected. It was generally agreed that solicitors seldom increase the net income of the agency unless the expense ratio is watched closely, although they do build up a premium volume which is valuable to use in negotiations with insurance companies. Most of the members favored the use of book-keeping machines in agencies of this size.

Attacked Surety Companies on Their Rating System

F. A. Norton of Salt Lake City attacked the surety companies and the Towner Rating Bureau on their growing tendency to cut commissions on large lines. Mr. Norton stated and demonstrated that most of the reductions in surety rates were borne by the agent and not by the company. He warned the members that this tendency is also manifested in automobile liability rates and will probably spread to other lines unless the agents are alert to stop it.

An agent from Lake Charles, La., told the best hard luck story of the convention. During the winter of 1933, by extra effort, he had collected almost all his outstanding premiums and had \$20,000 of the companies' money in the bank on March 2, 1933. The bank closed and has stayed closed with the agent owning a large block of stock and being a director of the bank. To make the story more ironical, \$13,000 of those premiums had been deposited the day before the bank closed, and out of that sum \$7,000 represented the premium on a bankers

blanket bond covering that particular bank.

Mr. Stewart, in opening Group No. 3 meeting stated that agency heads must assume the entire responsibility for servicing their business. Insurance is becoming more and more complicated. He contended that an agency should be organized to give the highest service. An agency should be departmentalized and the heads must be competent. Mr. Stewart said he spends much time in training and educating department heads. On the second Monday evening of every month the partners and department heads meet. He said that each head should have a plan and should stick to it as far as possible. He believes in planning work for the next day.

Those present were interested in getting calculation on the percentage of operating expense. One agent said that his office calculated its expense in terms of the commission dollar, which he claimed was the most logical. He finds for instance his office uses 22 cents out of the commission dollar for operating. Most agencies base their ratio on premiums, running from 7½ to 11 percent. It is generally conceded that in the larger cities it requires an overwriting of 7½ percent to break even. Instances were cited however where agencies were making a profit on 7½ percent differential but they were located in smaller cities or their offices were in localities where expenses were less. Undoubtedly the size of the city has some effect. One agency went to a less expensive location where it could get rent 90 cents a square foot and reduced its overhead to 6 percent of the premiums.

Collections Were Topic of Considerable Discussion

One delegate made the assertion that an office should be so organized as to allow the leading producers to work outside and they should not be over-come with details. Some of the agents declared that an office does not have to be located in the best district or the highest priced building.

There was much time spent on the question of collections. One delegate said that his office charges off overdue accounts to the personal producer and he either had to pay the premium or dispose of the matter in some other way. One agency uses a red notice as

Gives Memorial



WILLIAM H. MENN, Los Angeles

W. H. Menn of Los Angeles, personal friend of the late Percy H. Goodwin, former president of the National Association of Insurance Agents, presented the memorial in his behalf the first thing following the invocation at the initial convention session. It was an impressive moment and Mr. Menn read the memorial with sympathy and feeling.

a warning of impending cancellation and it works well. Some agents have their own financing plans and have reduced overdue premiums materially. A Georgia agent stated that his office took all overdue accounts and rewrote them as of current date with the agency itself assuming the financing. This agent said that before an office does this it should be sure to have a market for discounting the paper, although this paper is attractive to banks. In these financing plans 20 percent cash is demanded and then instalments can be extended as long as the agency desires. A special form of note is re-

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Chicago, Illinois

quired for these unpaid instalments. The return premium is used as security. It is a collateral note with power to cancel vested in the firm.

One agent said that he sent a notice with the policies to his assured telling them if they were not able to pay the premium within 30 days to let the agency know so that other arrangements can be made if necessary. Follow up notices are sent if the premium is not paid.

Mr. Stewart said that the insurance department ruling on delinquent agents and brokers had been effective in reducing the overdue premiums in Illinois 40 percent. The ruling, he said, had been very effective in dealing with delinquent brokers.

Mr. Stewart said that his agency has two accounts, one being the entire premiums received and the other the commissions earned. He said that there is no dipping into the premium account to run the agency. The company premiums are regarded as trust funds. Up to the time of the depression he said that the premium account was kept intact for 60 days but the time is extended to 90 days.

He explained that his is an incor-

porated agency and the value of the shares is fixed each Dec. 31. Life insurance is carried to protect the stock.

W. E. Harrington, Atlanta, explained a device that has been used in his agency to develop business. There are two sheets used, one for personal accounts and the other for commercial. Each sheet contains all the different kinds of insurance that one can carry for himself and on another the various business insurance forms. There is a bracket placed before each type of insurance. A leather portfolio is used and the kinds of insurance carried are checked and the portfolio presented to the insured. In order to get a complete record, any other insurance policies are asked for and finally a complete record is presented. This gives the assured the opportunity to look over the kinds of insurance he has and then he scrutinizes those types that he does not carry. His curiosity is excited and Mr. Harrington said that his agency had been able to secure seven out of ten policyholders for additional kinds of insurance or an increase on the amount carried.

One agent made the point that there is no relief from bankruptcy proceedings where there is judgment against a person for injury caused by his automobile.

There was considerable discussion as to whether agencies are justified in representing both conference and non-conference companies. It was stated that the practice is quite general.

Conference Is Conducted By Full-Time Secretaries

(CONTINUED FROM PAGE 7)

Some pay \$1 for each one present. Others fine the absentees. Louisville places all its authority in the board proper and none in its directors.

Secretary Foreman of Texas made inquiry as to how many states permitted members to represent mutuals and reciprocals. His organization is strict in this regard and so is Louisiana. Other states, because of peculiar conditions, reported they could not enforce such a rule, especially as to farm insurance.

Question of Minimum Dues Is Discussed

Secretary Brown of Michigan stated its minimum dues are \$15 but the income does not give the association enough money to carry on a thorough-going membership campaign. As different secretaries reported there did not seem to be the difficulty found in Michigan. Where local agents find they are receiving real benefit, it was stated they were willing to pay. In California, with 1,000 members, the annual turnover is small.

Secretary Colridge of California explained the advertising and publicity campaign carried on by some 20 out of the 52 boards in the state. The commissions derived from public business are used in Oakland and some other cities for this work. Oakland spends \$1,000 annually. Secretary Johnson of Dallas reported the very excellent publicity his organization gets from the papers.

It was decided to have a conference of secretaries both at the midyear and annual meetings, electing a chairman for each. All subjects of interest are to be cleared through the New York office and sent to the secretaries. It is proposed to have an agenda hereafter for each meeting.

Pierce Scans the Mutual Situation

(CONTINUED FROM PAGE 7)

ance of broad contracts without gaps or overlapping. Such service is worth dollars and cents to an assured. The ability of a trained local agent adequately to service his accounts through close personal contact offers him a big advantage over those mutuals whose systems eliminate an agent's supervision. Under the agency system all of the insurance requirements of a property owner may be handled. An undivided responsibility is thus placed with the supervision of an entire insurance account.

Mr. Pierce said many mutuals are now attempting to extend their plants into agencies which represent stock companies. A stock company agent who accepts representation of a mutual is gnawing away at the corner stone of the American agency system, for which he asks stock company support. Such an agent has no justification for complaint when he loses a line to a direct writing mutual.

Agency Mutuals Prefer to Be in Mixed Offices

No man, he pointed out, can fairly serve two masters and since there is a limited demand and market for mutual insurance, this should be met through direct writing or by agents who represent exclusively mutual companies. If an agent is not sold on the soundness of stock company business, he should not represent such companies. Mr. Pierce said that a prominent mutual executive once remarked to him that agency mutuals prefer representation in mixed agencies. The reason is that sole mutual representation makes it difficult to restrict writings to the special classes that those companies desire. In a mixed agency mutuals can more readily continue to give their limited service.

Mr. Pierce said criticism is heard of the various underwriting organizations, such as the oil, grain, cotton, railroad and factory associations, as well as the Interstate Underwriters Board. Critics, he said, should first get a true perspective of the factors involved and then analyze the underlying causes. These special associations were not needed when business operations were conducted by small, unorganized local independents. Insurance needs today of large corporations are vastly different. Restrictive laws and needs of large insured require the organization and maintenance of such organizations. The business should properly serve the interests and needs of these property owners. Alert agents will use these modern tools and the special services where their use operates to the advantage of their clients.

Suggests Study of the Many Current Situations

He recommended a study into situations which have developed that are encumbering operation of the stock companies. These include taxation and legislation, publicity and education, rates and rating schedules, simplified rules and bureau operations, special underwriting associations and stock-mutual agencies.

Taxes taken from insurance companies, he pointed out, are far greater than the amount required to support insurance departments. There is much legislation which imposes restrictions upon one type of company and not on another. The stock companies do not ask special privileges, but they have a

right to seek adjustments and regulatory laws which will permit unrestricted competition between all types of carriers.

Arrangements should be made for a clearing house for dissemination of authentic information and facts regarding many phases of the business which are not available at present, so that selling methods may be improved, he said.

Simplified rating schedules should be devised in certain sections of the country to permit proper flexibility to measure unusual factors and still give proper results. This would result in reduction in expense and more prompt rate service. There would be additional saving by elimination of many needless reratings which are always required where complicated schedules are used.

Study should be made of operating rules of rating and inspection organizations so as to eliminate burdensome practices. Every step should be taken to meet the growing demand of the public for prompt service. A greater uniformity in bureau methods should be brought about.

Insurance contracts should continually be studied so as to bring about greater simplification. Restricted conditions are often unnecessary for larger risks. A method of waiving unnecessary restrictions should be devised.

The extent to which operation of special underwriting associations should be improved and expanded should be studied. First consideration should be given to the requirement of modern, industrial and mercantile businesses. Policies of operation must be shaped to meet consumer needs. The soundness of the principle of agency divorce—stocks and mutuals—should receive consideration. The loss of temporary advantage should not affect decisions.

The National Underwriter Display

THE NATIONAL UNDERWRITER had a display in the lobby of the Pantlind which attracted much attention. It was in charge of A. J. Edwards, resident manager in Detroit. J. C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins," was present to explain the service to the agents. Mr. O'Connor will give a sales talk next week at the meeting of the Ohio association and will also give an address before the Tennessee association at its annual meeting in Memphis.

Personal Mention

W. B. Calhoun of Milwaukee, past president, was called on at the banquet to sing "My Wild Irish Rose."

Frank R. Bell of Charleston, W. Va., former president, arrived Wednesday, too late to be introduced among the group of former chief executives at the get together dinner.

Philip F. Lee, vice-president United States Fidelity & Guaranty and head of its agency department, had some of the state managers meet him at Grand Rapids and they mingled with the crowd.

Thomas F. Southgate of Durham, N. C., is a noted son of an eminent sire. His father, the late J. H. Southgate, served the National association as president for two years and in his day was one of the most powerful personalities in the organization. He was first elected in 1911 at Buffalo and was reelected the next year at Atlanta.

KANSAS CITY AGENTS

Kansas City Insurance Agency, Inc.

C. R. FIDLAR, Manager
BROKERAGE BUSINESS
SOLICITED

Aetna Ins. Co.
Niagara Fire Ins. Co.
Norwich Union Fire Ins. Society
East and West Ins. Co.
Western Fire Ins. Co.
General Accident Assurance Corp'n
New York Casualty Co.
Western Casualty & Surety Co.

Third Floor
916 Walnut Street
Kansas City, Missouri

Oppenheimer Bros.

Extend the facilities of
their office to out-of-town
members of the National
Association in placing
lines in Kansas City.

1012 Baltimore Avenue
KANSAS CITY, MO.

Established 1852



W. A. EARLS, President

We are equipped to render efficient engineering service on your Ohio business

82 YEARS OF INSURANCE SERVICE
THE EARLS-BLAIN COMPANY
THE LAWS' INSURANCE AGENCY CO.
CINCINNATI, OHIO

CASUALTY AND BOND COURSE

Takes Mystery Out Of All Casualty Lines — Explains Coverage And Gives Sales Pointers — Revised to Date

You Receive These 25 Lessons

1. Basic Principles of Public Liability.
2. Automobile Public Liability, Property Damage and Collision.
3. Manufacturers' Public Liability.
4. Contractors' Public Liability.
5. Contractors' Protective (Contingent) Public Liability.
6. Owners' Protective (Contingent) Public Liability.
7. Theatre Public Liability.
8. Owners', Landlords' and Tenants' Public Liability.
9. Residence and Farm Public Liability.
10. Teams' Public Liability.
11. Elevator Public Liability.
12. Accident and Health.
Part A—Accident and Health Policies, Selection of Risks, Applications, Prospects.
Part B—Salesmanship.
13. Workmen's Compensation.
14. Plate Glass.
15. Messenger and Office (Store) Robbery.
16. Paymaster Robbery.
17. Bank Burglary and Robbery.
18. Bankers' Blanket Bonds.
19. Mercantile Safe Burglary.
20. Open Stock Burglary.
21. Residence Burglary & Theft—Personal Hold-up.
22. Boiler, Including U. & O.
23. Engine & Fly Wheel, Including U. & O.
24. Electrical Machinery, Including U. & O.
25. Bonds—Fidelity and Surety.
Part A—Introduction.
Part B—Fidelity Bonds.
Part C—Contract Bonds.
Part D—Fiduciary Bonds.
Part E—Court Bonds.
Part F—Public Official Bonds.
Part G—Depository Bonds.
Part H—License and Permit Bonds.
Part I—Miscellaneous Bonds.

« »

The first requirement for a job in a field or office is a thorough knowledge and understanding of the immediate work to be done. But promotion and broader opportunity come only to those who prepare themselves mentally to take in more territory. The Casualty and Bond Underwriting Course issued by The National Underwriter Company can aid the man who wants to do his present work better and who wants to fit himself for a more important position.

The office man who prepares himself to understand the problems of the man in the field is preparing himself to make other than routine decisions in the office. The Casualty and Bond Course gives a complete outline of contract coverage, methods of premium calculation, errors to guard against in underwriting and selling these lines. There are 850 pages in the course. It is indexed for reference purposes.

IN CONSTANT USE

About two years ago I subscribed to your Casualty Correspondence Course and derived a tremendous amount of good from it. I have used the lessons on many occasions to brush up on certain points and value the booklets highly as references.

C. F. LOCKYER, Los Angeles, Calif.

Two or three years ago, the writer subscribed to your Sales Training Course in Casualty and Bond Underwriting and I have endeavored since that time to keep the various pamphlets handy. This course is prepared in such a clear, understandable way that I believe it should be subscribed to by all parties in any way connected with Casualty and Surety.

P. L. GEDNEY, Minneapolis, Minn.

Our men are showing a great deal of interest in this course and I feel that already they have derived a great deal of benefit from it.

DANA J. LOWE, Buffalo, N. Y.

I have found it very instructive and profitable and I want to congratulate you upon getting together such a splendid set of lessons.

PHILIP W. DOWNS, Omaha, Nebr.

USE THIS ORDER FORM TODAY

THE NATIONAL UNDERWRITER COMPANY,
420 E. Fourth St., Cincinnati, Ohio.

Gentlemen—I want the most complete casualty and bond course available. Enclosed is \$5.00 and I will pay \$5.00 a month for the following four months.

I am to be furnished the complete Series of lessons and quiz for each lesson; and my written answers are to be carefully gone over by you, corrected and definite suggestions are to be given me for the improvement of myself in my selling of Insurance.

Your Manager

Name or Gen'l Agent

Street Address

City and State

Date

LOCAL AGENTS CONVENTION NUMBER



Greeting and Acknowledgement

IN extending greetings to the National Association of Local Insurance Agents, the Norwich Union Companies express an acknowledgement of the splendid efforts of its Agents.

We appreciate the privilege to cooperate, assist and serve them cheerfully and wholeheartedly at all times, recognizing that the success of our Agents means the success of our Companies.

NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.
75 Malden Lane, New York

Hart Darlington, Manager

EAGLE FIRE COMPANY

of NEW YORK
INCORPORATED 1806

75 Malden Lane, New York

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION

INDEMNITY COMPANY
75 Malden Lane, New York

Hart Darlington
Chairman of the Board

H. L. Callanan
President and General Manager

In NORWICH UNION there is strength.

COMPANIES

OHIO AGENTS CONVENTION NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

WEDNESDAY, SEPTEMBER 26, 1934



Western and Southern Group . . . A group of Ohio companies for Ohio agents . . . All lines of casualty and fire insurance . . . Rapid and satisfactory claim service . . . Ample facilities for close contact with the field . . . Undoubted financial strength and permanence . . . Attractive and forceful advertising which is productive of results . . . Good Companies to be with—anytime . . . Why not write—Today—for complete information

THE WESTERN & SOUTHERN INDEMNITY CO.
THE WESTERN & SOUTHERN FIRE INSURANCE CO.

Charles F. Williams, President

CINCINNATI, OHIO

William C. Safford, General Manager

PROTECTION



SINCE 1848

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-eighth year. No. 38A. Extra edition. Wednesday, September 26, 1934. \$4.00 a year. 25 cents per copy. Entered as second-class matter April 25, 1931, at postoffice at Chicago, Illinois, under act of March 3, 1879.

The National Underwriter

THIRTY-EIGHTH YEAR—No. 38-A
EXTRA EDITION 25 Cents a Copy

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, WEDNESDAY, SEPTEMBER 26, 1934
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

OHIO AGENTS'
CONVENTION NUMBER

Ohio Association Reelects Officers

Lloyd Tells of Many Activities

Secretary Ohio Association of Insurance Agents Presents
His Report

MANY ACTIVITIES SHOWN

John A. Lloyd Has Been Engaged in
Revamping the Organization
During the Year

*Convention Headquarters,
Columbus, Ohio, Sept. 26.*

One of the most interesting documents submitted at the Ohio Association of Insurance Agents meeting was the annual report of Secretary John A. Lloyd. He has been the galvanizing and effective force in the revamping and rebuilding of the Ohio association. He has shown an intelligent grasp of the situation. In less than a year he has brought the organization out of a somewhat chaotic condition into a flourishing and healthy body. The Ohio association now ranks fourth among all of the state units. What has been accomplished by the organization since Dec. 16 last when Mr. Lloyd took office is shown clearly in his report which is appended.

"When the Marion convention of 1933 adjourned, the Ohio association had, literally, no membership at all. It started

OFFICERS ELECTED

PRESIDENT

Hugh L. Meek, Columbus

VICE-PRESIDENT

F. P. O'Connor, Lima

NATIONAL COUNCILOR

C. O. Ransom, Cleveland

TRUSTEES

District No. 3—W. A. Earls, Cincinnati; District No. 4—Ben Wilkinson, Piqua; District No. 7—W. E. Flickinger, Cleveland.

from scratch, and its growth during the year has been sure, carefully planned and fundamentally sound. At the beginning of the fiscal year just closed, the board of trustees prevailed upon President Hugh L. Meek to become acting secretary, serving until such time as a secretary could be elected. Mr. Meek, although unusually busy with the affairs of his own agency, undertook this work and great credit is due him for keeping things moving until mid-December, when your present secretary assumed his responsibilities. Mr. Meek has earned the everlasting gratitude of the agents of Ohio for a splendid service, unselfishly done at great sacrifice to himself.

"On Dec. 6, 1933, the trustees met in Columbus and employed the writer as secretary-treasurer, to begin work on Dec. 16. Since that time, with the cooperation of the officers, trustees and members, we have gone forward in the work of development of the organization. New policies have been effected and renewed energy infused.

The association started Sept. 1, 1933,

without a single member. It closed the year with 687 member agencies and 2,061 member agents. We have by far exceeded our quota for growth fixed by the National association, and during the year have come from nothing, flat, to fourth place among the states in the National association. Only California, New York and Texas surpass us in agency memberships, California having 1,141 member agencies at the close of the fiscal year, New York 864 and Texas 703. The increase over total membership of prior year: In agencies is 235 and in agents 705.

"The old association's plan of membership provided for rejoining each fiscal year. Under that plan, it was necessary to secure a new application each year from each member. It seemed to us that such a scheme was too expensive and not conducive to the best organization practice. Accordingly, we asked the trustees to change the plan to one of perpetual membership, which was done. Under the new regime, an agency may join at any time during the

(CONTINUED ON PAGE 10)

Revised Body Is Seen at Meeting

Ohio Association of Insurance
Agents Appears in Entirely
New Dress

HAD EXCELLENT PROGRAM

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the Annual Meeting Held at
State Capital

By HOWARD J. BURRIDGE

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Superintendent of Ohio Shows Department's Work

Charles T. Warner, Ohio superintendent of insurance, spoke before the Ohio Association of Insurance Agents and characterized insurance as the "biggest business in the world." Supervision of insurance activities in a state originally included only the ascertainment of financial solvency but today the department has to consider ethics, complaints, licensing of agents, tax returns and many other subjects of an important nature. Public regulation, he said, is not only desirable but necessary. Company officials occupy somewhat of a trustee relationship. The insurance laws of the different states are quite similar. The reciprocal and retaliatory laws are enforced to insure uniformity.

The National Convention of Insurance Commissioners, he said, has had much to do during the last two years with stabilizing insurance in a number of different ways.

Scope of the Ohio Department Shown

The Ohio department was organized in 1872 with four employees. There are now 33 and Mr. Warner said there should be many more. There are 857 companies licensed in the state, there being 228 Ohio companies, they being classified as 8 stock fire, 24 mutual fire, 127 assessment fire, six stock casualty, 13 mutual casualty, 7 assessment casualty, 15 legal reserve life, 2 assessment life and 26 fraternal.

Speaking further, Superintendent Warner said:

"There are about 100,000 agents' licenses issued annually—10,000 solicitors and 500 non-resident brokers' licenses. The agents' licenses are divided approximately as follows: 50,000 fire, 25,000 life and 25,000 casualty. In addition the department issues licenses to what are known as "surplus line brokers." These agents are permitted to place insurance on Ohio property in unauthorized companies after making affidavit that the insured is unable to get coverage from Ohio companies.

Amount of Fees Collected in the State

"Fees for licensing of agents and companies, filing fees, etc., as provided by law, collected by the department for 1933, amounted to \$247,893. The operating expenses of the department for 1930 were \$127,737; for 1931, \$107,123, a saving of \$20,614 over 1930. The operating expenses for 1933 were \$78,459. The estimated expense of operation for 1934 is practically the same as for 1933, an approximate saving of \$48,000 over 1930.

"In addition to the fees collected, under Ohio laws, foreign companies must pay 2½ percent tax on gross premiums written in Ohio. During 1933 we collected \$5,909,686. During the last four years, this department has turned into the general revenue fund \$26,955,444 for general operating expenses. The cost to operate the department for the same period is but \$407,019. Ohio spends less for the operation of its insurance department in proportion to the volume of business transacted than any state.

Volume of Business in the State Last Year

"Just a few statements to show you the volume of business written in Ohio for 1933: Fire premiums, \$31,000,000; casualty premiums, \$32,000,000; life premiums, \$200,000,000, or a total of \$263,000,000.

"This great volume of business was placed on the books of the companies through their respective agents by years of industry and is a fitting monument to the agency system and to the co-

operation between the companies and agents.

"The American agency system is a most potent force in the great insurance business. The very fact that we issue annually in Ohio approximately 100,000 licenses to agents indicates to some extent the vast army of agents, solicitors and brokers engaged in this industry. In the conduct of the insurance business, a great trinity has been developed to such extent that one is equally dependent upon the other, the company, the agent and the policyholder.

Agency System Regarded as the Best Method

"So far as I know the agency system is one of the best plans by which to conduct the industry. It is a business that is becoming more and more complicated and technical with the enactment year by year of new insurance legislation and the adoption of new rules and regulations by the insurance departments of the several states. Necessarily then, the agent relationship to his company and the policyholder approaches, even if it does not attain the position of a professional classification.

"Under our present license laws any 'suitable' person may be licensed as agent. Under authority of that law, I and former superintendents have made rules and regulations to protect the licensed agents in the conduct of their business so that they may not be deprived of same by unfair means by other agents and companies, and in the orderly supervision of insurance we have been compelled to file charges against agents and upon hearing to revoke their licenses. We have had to refuse licenses because of the connection or relationship of an agent with another institution or business which would place him in or give him an opportunity to exert an unwarranted influence to secure business to the detriment of his fellow agent.

Department Tries to Use Some Discrimination

"What have you done as agents to make yourselves more suitable to carry on the business of underwriting life, fire, casualty and marine risks so that your work will be a protection to the policyholder with consequent approval by your company and increased income for

Banquet Proceedings Enlivened by John Lloyd

There were nearly 200 present at the banquet Tuesday evening. It was a lively and stimulating occasion. President Hugh L. Meek held forth as toastmaster. Jules Brazil, radio entertainer provided special songs and other novel diversions. Walter H. Bennett, secretary of the National Association of Insurance Agents, was the featured guest speaker. He spoke informally.

By all means the most engaging feature of the evening was the introduction by Secretary John A. Lloyd of those seated at the speakers table not scheduled to make speeches. Mr. Lloyd went from one end of the line to the other, standing back of each chair making his descriptions and explanations. His remarks were clever, witty and apt in the extreme. He exhibited the possession of a light touch and an experienced platform manner.

In addition to Mr. Bennett, the speakers were Clarence Brown, Republican candidate for governor of Ohio and John Gillespie of Kent, O., representing Martin L. Davey, the Democratic candidate. An interested guest was C. T. Warner, Ohio insurance superintendent and several members of his staff.

yourself? The division of insurance endeavors to exercise its authority fairly and cautiously in the granting or withholding of agents' licenses. It has a fixed purpose to try to rid the state of agents who prey upon the public by misrepresentation, dishonesty, twisting and unfair comparison of policies by other companies and who have no ethical conception of the high duty and responsibility that rests upon them.

"You must ever remember that the company and the agents are servants of the great insuring public, both dependent on the policyholder for your success and if and when his rights become impaired by unfair practices on the part of company or agent, the terms of destruction begin their work.

Drivers' License Law Is Needed in Ohio

"I will name one omission in our insurance laws and one that I have called to your attention on other similar occasions. The great state of Ohio has been unable, for some reason or other, to place a drivers' license law on our statute books. Notwithstanding the fact that statistics disclose that in the states where they have such laws the

(CONTINUED ON PAGE 11)

Calls Uniformity Commanding Issue

Secretary Bennett of National Agents Association Sees State Lines a Barrier

SEVERAL SUGGESTIONS

Ohio Agents Urged to Hold Fast to What Is Good, But Be Unafraid of New Days, New Ways

Uniformity throughout the country is a crying need in insurance Secretary W. H. Bennett of the National Association of Insurance Agents declared in a fine talk Tuesday on the subject "National Uniformity." He said it is impossible of achievement if insurance must continue to be subject to the vagaries of the many conflicting laws of the 48 states. Moreover, he does not believe it can be brought about by state regulation. He was listened to with rapt attention by those at the meeting of the Ohio Association of Insurance Agents.

"Let us hold fast to that which is good," he said, "but face unafraid new days and new ways which may be better."

Trend in That Direction Is Seen as Unmistakable

"Last week at the annual convention of the National Association of Insurance Agents at Grand Rapids," Mr. Bennett said, "I spoke on the theme of the convention, 'The Road to Recovery.' In the development of the subject, I took occasion to point out some of the insurance requirements of the federal government under the New Deal program, in an undertaking to direct the attention of the members of the association to the trend toward national uniformity which is unmistakable and with which all of us must be prepared to deal.

"I touched upon two entirely disassociated subjects, both having to do with federal regulation—one in the form of an outright recommendation; the other, simply as a guide-post along the way.

Raises Question Whether Federal Regulation Advisable

"The recommendation was that an attempt be made at the next session of Congress to secure enactment of a measure under which the United States mails will be barred to any insurance company not complying with the laws of the state in which it is writing business and in which the subject matter of the insurance is located. The suggestion was rather in the form of a question as to whether or not federal regulation will be the ultimate outcome of attempts to reach that happy state of national uniformity in the insurance business. In order that there may be no confusion in regard to the two references, I propose to elaborate on them here.

"With my recommendation that an effort be made to induce Congress to bar the mails to unauthorized carriers, the convention was in hearty accord, and at the closing session, adopted a resolution endorsing the undertaking. The bill I proposed to have represented in Congress is as follows:

"Be it enacted by the Congress of the United States:

"Section 1. It shall be unlawful for any individual, partnership, association or corporation, directly or indirectly, to use the mails of the United States or

(CONTINUED ON PAGE 11)

Trustees Active on Job



W. E. FLICKINGER, Cleveland Trustee



W. A. EARLS, Cincinnati Trustee

Ohio's Oldest Stock Fire Company Has Served Buckeye Agents for



ON our 70th Anniversary comments from our Ohio agents have been most gratifying. A few follow—we regret we cannot publish all.

"We have represented your good company for more than 50 years, and no agency represents a company for that length of time unless the connection is highly desirable."

"I have been doing business with the company over 30 years and am gratified by

the courteous treatment and honorable business transactions accorded me."

"We have represented the Eureka-Security Fire & Marine since 1901. At all times the company has been helpful and of quiet assistance."

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ESTABLISHED 1864
CINCINNATI OHIO

Breakfast Conference For Board Secretaries

An interesting session at this year's meeting was the breakfast conference for secretaries of local boards presided over by Norman W. Reed, Toledo. It proved to be so successful that there will probably be a mid-winter conference held in Columbus the second week in January, when the new legislature convenes. It is the thought that each secretary shall bring a senator or member of the house from his district to a stag dinner, in this way enabling the secretaries to become familiar with legislators in their communities.

Secretary Reed Told About Toledo Board

Mr. Reed outlined in some detail the operations of the Toledo Board. He said that the purpose of any local board is to promote better practices, to conserve business for local agents through concerted action and to preserve the American agency system. He explained that in Toledo the board has both active and inactive members. An active member must have at least one sole agency. The jurisdiction of the Toledo Board comprises both fire and casualty.

Mr. Reed said that one of the greatest sources of strength in any local board was a 100 percent enforcement of the "in or out" rule. Another important function of any local board is to control the placing of brokerage business. Mr. Reed said that acquaintanceships established by local agents through board contacts create a better understanding. He urged the exchange of credit information and said that when credit reports are freely given the undesirable business gradually gravitates to the non-members. The Toledo Board is financed by graded dues and it has a luncheon meeting twice a month. The board of directors also meets bi-monthly. The Toledo Board issues a bulletin at regular intervals, and Mr. Reed recommended the exchange of similar bulletins between local secretaries.

Some of the Problems Confronting the Boards

Among the problems that confront most local boards today is the coercive power of credit, particularly as found in governmental financial agencies. The automobile and service clubs are also taking large amounts of business away from local agents. In Ohio, Mr. Reed said that at present the legislation that is most needed is an agent's qualification law, a financial responsibility law and a law preventing the writing of unauthorized insurance.

J. E. Schweer, Cincinnati, expressed interest in a local board setting up con-

trol of casualty as well as fire representation. This was rather generally discussed. Mr. Reed said that in Toledo the board has an all in or all out rule on casualty with about 90 percent enforcement. He explained that the board makes no effort to restrict appointments to conference casualty companies or to the number of companies represented. Mr. Schweer seemed to feel that the inclusion of casualty regulations might weaken the fire board.

Secretary Horton Tells About Cleveland Rules

S. J. Horton, Cleveland, said that the "in and out" rule should be rigidly enforced in small cities and that it should be made applicable to an entire group of companies and not to just one. In Cleveland, Mr. Horton explained that the branch offices of the Royal and the Home are members under a special classification. These two offices come under the regulations to do anything that the local agent member cannot do, the same regulations being applicable to them. The branch office manager is the board member for control purposes. Mr. Horton complained of some companies which he says are writing business through brokers who are not licensed, and that they are writing business that is not a satisfactory experience for brokerage under the Ohio laws. In such instances, agents are being asked to supply counter signatures. "Each board," Mr. Horton said, "should have a rule covering brokerage and should establish the commission to be paid."

It was unseasonably hot the first day, the temperature going to 89. This resulted in the decision to hold the banquet in an air-cooled dining room.

Gives Report



AUSTIN McELROY, Columbus
Chairman Legislative Committee

W. E. Flickinger Represents District Winning Silver Cup

Harvey S. Martin, trustee of the association at Toledo, offered a silver cup to the district in the state making the largest increase in membership during the year. The cup reposed upon the speaker's table during the business sessions. It was won by Walter E. Flickinger, Cleveland, trustee of district No. 7 which comprises five counties in the area surrounding Cleveland. If the cup is won for three successive years it may be retained permanently, but if it is not won in this manner it will become the property of the winner for only one year.

Resolutions Adopted

Resolved, That the association devote its efforts to the securing of an appropriation adequate to the operation of the insurance department, commensurate with the large amount of money collected by the department in fees and taxes to the end that the department may be equipped to properly function for the protection of the public.

Resolved, That the association seek legislation which will prevent state chartered financial institutions, such as banks, building and loan associations, from purchasing bonds and other forms of insurance from companies not authorized to do business in Ohio.

Resolved, That the association seek the passage of an agents qualification law, which will further protect the public from the operation of persons unfit to properly handle the placing of insurance and other forms of indemnity.

Resolved, That the thanks of the association be tendered to the field club of Ohio for its cooperation in effecting measures and practices for the benefit of the insurance business and the agents of Ohio; that the gratitude of the association be extended to its officers and trustees for their consistent labors and efforts in the furtherance of the aims of the association.

Gearheart Tells of State Problems

Former Ohio Insurance Superintendent Stresses Importance of Department's Work

FOR RIGID ENFORCEMENT

Supervisor Aims to Prevent Exploitation of the Public by Unjust and Dishonest Methods

Attorney B. W. Gearheart of Columbus, former insurance superintendent of Ohio was well received by the Ohio Association of Insurance Agents in his talk commenting on some of the questions that come before the department. He emphasized the trust relation in insurance. As an institution insurance draws to it people of all grades of ability and character. Supervision, he said, aims to prevent the exploitation of the public by unjust or dishonest methods. It is necessary, he said, to have the business subjected to official scrutiny and companies must receive authoritative approval before they begin business in a state.

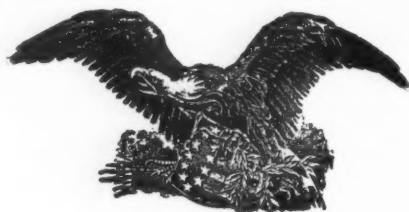
The greater number of people that enter insurance are the agents. They must meet certain tests and possess certain qualifications. They should be honest and they should be trained in the rudiments of what they are undertaking. He believes in agency organization so that proper standards can be determined.

Mr. Gearheart said that there is a movement towards reform in judicial procedure and in the ethics and practices of the different professions. There is a demand that the law be aggressively administered. Continuing, he said:

Insurance Department Is of Great Importance

"Why, then, should not insurance interests and agents, whose business brings them into such close and extensive contact with the public and whose opportunities for imposition and deception are great, insist upon a rigid enforcement of the laws relating to insurance? Of course, there are some clients who desire to employ only dishonest lawyers, and there are some insureds who want to deal only with the dishonest agent, but if such lawyers and agents can be driven from the field, the evils, of which there is now so much ground for complaint, will be greatly reduced.

"Whoever becomes the next governor will have no more important position to fill than that of superintendent of insur-



The American National Fire Insurance Company

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Cleveland, Ohio

EASTERN OHIO
H. M. Huntsberger
50 West Broad Street
Columbus, Ohio

WESTERN OHIO
E. W. Tinsley, 50 West Broad Street
Columbus, Ohio

ance. There is no other official who comes nearer, in the administration of his duties, to the welfare of the people themselves. Into no other department do more citizens come for information, advice or assistance. The view that this appointment may be bestowed for a political service rather than upon the basis of qualification is dangerous to the public welfare. This organization and all others interested in a reputable business should be keenly interested in the personnel of the insurance department, and make its influence felt on the side of competency and efficiency.

Ohio Department Is Seriously Undermanned

"The Ohio department is and has been for many years undermanned. Considering the very large sum of money which insurance interests contribute to the state's revenue, the appropriation for it is niggardly. The practice of so-called economy has not only prevented the enlargement of the functions of the department but has hampered those who are carrying on its work. The state does not now care for all the expenses which are legitimate and necessary for the supervising officials in attending national conventions and meetings of the insurance bodies where policies are formulated, in which all the people are interested.

"The personnel of the department is not sufficient to permit it to give the desired attention to questions of law and administration that arise, or to hunt out all violations of laws. The department is obliged to rely very largely for information and evidence of law violations on organizations like this, which, in a way, requires them to expend their own money for the functioning of a department which collects many times as much as it receives for its operation.

Superintendent Needs Time for Bigger Issues

"Then the superintendent of insurance, always hurried as he has been for years, does not have the time to fully and satisfactorily consider the laws which he is enforcing and their application to particular conflicts which arise. He has not time that he should have to study and initiate improvements in the business. He is the representative of the people in his contact with the companies and agents. He ought to have time to consider plans for their welfare, as do the insurance interests for themselves. But, as it is, due to his heavy duties, he cannot originate, but can simply follow, trying to find time to consider and check what may be presented to him. This is not a criticism but the statement of a condition that has existed for years.

Department Should Have Its Own Competent Attorney

"In my opinion there ought to be a competent attorney to do nothing but work on law questions. He should not be called upon to perform executive functions. It is true that the opinion of the attorney general is available to the superintendent but the former officer is himself overworked. It takes time to submit questions to him and have his staff consider them. The task is more difficult because of the fact that a very large percentage of attorneys have little knowledge of insurance matters except such as arise in litigation and, to pass upon a departmental question, must give to it an unusual amount of study. The New York department has for a long time been equipped for handling strictly legal questions.

"I am of the opinion that the functions of the superintendent, as liquidator, should be more clearly defined by law, and that there should be provisions enacted which would make such liquidation more speedy and less expensive. Instead of the appointment of deputies and counsel who may be without much experience, there should be, in my judgment, trained men in the department ready, under the superintendent's general supervision, to handle liquidations expeditiously.

"Certain very important questions

Importance of Work of State Department Told



B. W. GEARHEART, Columbus
Former Ohio Superintendent

have had to be settled in the last year and others are facing the association. The war with unauthorized companies and unlicensed agents is continually going on. But the situation has been and can be improved by the vigilance of your members. The resident agent's law has had another test in the case decided by the supreme court of Ohio in May—State ex rel. vs. Warner, Superintendent. It was held that a license would not be granted to an individual who was a member of a partnership controlled by foreign brokers where they were to participate or take practically all the commissions earned, along with the license, which, according to the contract, were to be regarded as a partnership asset. The court held that while the applicant for a license was a resident of Ohio, the plan was simply a subterfuge to permit foreign brokers to control Ohio business by sending it to the licensee and then participating in the commissions. The superintendent promptly denied the application for a license when it was submitted to him and his ruling was affirmed by the supreme court.

Inland Marine Question Up Before the Department

"Another serious and important question arose from an attempt to cover a risk by a marine policy, thus avoiding the provisions of the anti-discriminatory law, the rate of premium for all coverages being less than the rate for fire alone, established by the rating bureau. The superintendent of insurance, after a full argument and consideration, reached the conclusion that although the property was occasionally in-transit, it must pay at least the fire rate while it was at rest. This organization interested itself in this controversy and if the decision had been the other way it would have been a precedent for the violation of the law by the simple expedient of calling a risk, a marine risk.

"The question of separation is of some concern and is being carefully watched by this organization. Whatever can be done, if the matter becomes acute, will be done. Another thing for which the association stands is the right of the local agent to write the bond business of his community which has come into existence through new legislation. It is against the awarding of this business to those who, except for official action would not get it. Competition for the business, where it is to be written, should be open to the agents in that field. That is conducive to good underwriting and fair to citizens who make the solicitation of insurance in their community their business."

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Securities based on New York rule.

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Policyholders Surplus 403,935

\$1.94 assets for each \$1.00 of liability, except capital.

Writing
Full Coverage Automobile
General Liability
Plate Glass

AN AGENTS' COMPANY

OHIO ASSOCIATION of INSURANCE AGENTS



NEVER before has the usefulness of organized bodies of agents been so apparent. The Ohio Association stabilizes Ohio insurance. It gives a property value to every agency because of its protecting arms. A membership in the Ohio Association of Insurance Agents insures an agent's business. It gives him a standing and footing in his own line of work.

The Ohio Association labors for legitimate direct writing agents operating on the commission basis of compensation. It stands squarely for the American Agency System, its high principles and methods of operation.

Atlas Building

Columbus, Ohio

Editor O'Connor Believes Knowledge Still Is Power

Knowledge of insurance and its coverages is a fine shock-absorber and perhaps even a life preserver for agents in these times when tradition is being shattered in many quarters and a new economic order may be in process of formation. Editor J. C. O'Connor of the "F. C. & S. Bulletins" stated in his talk on "Building Business by Knowledge." The old adage that knowledge is power is especially applicable in these times, he said. The "Fire, Casualty & Surety Bulletins" are published by THE NATIONAL UNDERWRITER.

If the American agency system continues, then the well informed agents will be the leading ones. If the agency system should break down and be replaced by a plan of company solicitors, the agents who know the various coverages and their application will be in demand as solicitors. If stock insurance is engulfed and replaced by mutual insurance, the same condition will be true. Mr. O'Connor meanwhile urged stock company agents to know more than mutual men.

Cites Successful Agent Who Profits by Others' Ignorance

"Not long ago," he said, "I was talking to an outstandingly successful agent in a large city, a man who has built up a large and profitable business without political or financial connections and few of any other kind. In the course of the conversation I remarked that fire and casualty insurance today is a tremendously complicated business. He answered 'Yes, but I wish it were twice as complicated. I get my business on my competitors' ignorance.'

"It so happens that I know how that

agent operates, so his remark did not surprise me. He knows insurance thoroughly and has sold his clients on that fact. At least 90 percent of his business comes from utter strangers, people who have been referred to him by customers whose insurance he has put in order. Occasionally he loses a risk to the mutuals or others on a price basis, but in the long run he gets most of them back and takes many more away from his price competitors.

"And in some cases where his clients for one reason or another wish to place their insurance in the mutuals or through other channels, they pay him a fee to supervise their insurance as it is written. Why? Because this agent has sold his clients first on the idea that knowledge and the ability to apply that knowledge are essential for their proper insurance protection, and second that he, the agent, has that knowledge. In short, this agent has built his business by knowledge.

Business in Years to Come Will Go to Study Lines

"There are many agents like him, but I wish there were more, and I feel that there are bound to be more. Or rather, I feel that in the years to come the bulk of the insurance business, whether it is handled by local agents, brokers, company solicitors or mutual representatives, or whatever it may be, will be handled by the men who know the most about their business.

"Building business by knowledge is strictly a long-pull proposition. That is, we cannot say with certainty that a superior knowledge of the business will enable you to get this risk which is

held by a brother-in-law, or that risk which is flirting with a rate-cutter, or any specific risk. But I can and do say that over a period of time knowledge and proper application of knowledge will bring results and will build up a business which competitors cannot disturb.

"Before I give my reasons for this statement, it is only fitting that I should first explain what I mean by 'knowledge.'

"Knowledge in the insurance business, that is, the type of knowledge which will make an insurance man stand out from his competitors, really falls under three divisions:

"First, knowledge of insurance coverages, policy forms, rules, rates, variations in coverages and in policies, local rules, what you can get for your clients and what you can't get.

"Second, knowledge of your client's situation—exactly what hazards he is exposed to and which of these can be covered by insurance.

"Third, knowledge of how to apply your insurance coverage to your client's needs so that your insured can depend upon you to supply him with the broadest protection obtainable at the lowest cost consistent with safety—protection against hazards which menace him most.

Survey of Clients Needs Often Discloses Oversights

"When an agent is able to make a thorough survey of the insurance needs on the present insurance of any client, he will usually find that his competitors are falling down on all three of these points. Let me give you some actual cases, every one of which involves an agency which is well known, which had every facility for acquiring knowledge and which should have known better.

"A well known agency wrote fire and windstorm insurance on the buildings of a college. Included in the property was a steel and concrete stadium, and the college authorities did not think it worth while to carry insurance on this structure. The policy contained a 90 percent coinsurance clause and the agent wrote the insurance under a general form, covering all the college's buildings and their contents within certain boundaries. The college authorities furnished reasonably accurate estimates of value for the different pieces of property, excluding of course the stadium, and insurance was written to 90 percent of these values. But the form was so written that it included the stadium in the description of the property covered. Thus, had there been any loss, the college would have been a coinsuror.

Another Example Given of Unskilled Service

"We might argue that the agent was a poor salesman because he could not convince the college authorities that the stadium should be insured. But the big point involved is that the college authorities thought they had and were paying for complete protection on the other buildings. They depended on the agent to supply it for them and they were not getting it because he didn't know what his policies covered.

"Let us take another case, lack of knowledge of the assured's situation.

"A large printing company had placed all its insurance with the same agency

for many years. Unlike many assured it realized the danger of damage suits and wanted complete public liability protection. The agent covered them under a manufacturers' public liability form, properly describing printing operations, etc. But the agent did not know that part of the plant had been rented out to two small and financially unsound tenants, whose operations had no connection with the printing business. Naturally the printing plant was not covered for any liability which might arise from the acts of these tenants.

Mentions Printing Plant Inadequately Covered

"The officers of the printing plant had asked the agent several times if their liability policies covered them completely. Each time the agent assured them that they did, simply because it never occurred to him to take the trouble to look over his client's property or to ask them a few simple questions about the operations going on.

"The agent of whom I first spoke, an utter stranger to the printers, but introduced by another satisfied assured, found out this situation immediately and gave the printing plant complete protection. Today he handles the entire line.

"Now let us take a third example, one of an actual case where an agent failed to apply the proper coverages to suit his assured's needs. A large hotel in a large city was insured through one of the largest and best known agencies. It had a safe in which considerable cash was kept and for seven years before another agent came on the scene it had carried safe burglary insurance. But the safe was behind the desk; there was always someone on duty at the desk and so the safe was never locked. Of course, a burglary policy covers only losses caused by breaking into a locked safe. And so for seven years that hotel had paid premiums on insurance which it could never collect, simply because the agent did not know how to apply the proper coverage to fit his assured's needs.

"And it is almost useless to add that in every one of those cases an agent who had the proper knowledge eventually got the business."

Convention Notes

T. M. Lynn, Zanesville, read the report of the rules committee.

* * *

Vice-President F. P. O'Connor, Lima, presented President Hugh L. Meek to the convention at the opening meeting.

* * *

The Western & Southern group maintained headquarters at the Deshler. E. P. Gustafson, assistant secretary of the Western & Southern Fire was on hand, as were R. C. Crisler, superintendent of agencies; P. H. Wright and W. R. Moore, special agents, Western & Southern Indemnity.

* * *

In accordance with the association's rules, a list of those nominated for office was posted on the wall at the rear of the convention hall.

* * *

The entire convention proceedings were recorded by a stenotype reporter.

* * *

Robert Beatty, secretary to Mayor Henry Worley of Columbus, gave the address of welcome. Response was by Harvey S. Martin, trustee, Toledo.



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Surplus to Policyholders 1,052,730

(Actual Market Values June 30, 1934)

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Wm. F. Kramer, Secy.

E. J. Weiss, Asst. Secy.

H. J. Favorite, Special Agent

Fire and Tornado Insurance

An Independent Ohio Company

Legislative Report Made

Chairman Austin McElroy of the Committee Recites Some of the Activities of His Group Since the Last Annual Meeting

Austin McElroy of Columbus, chairman of the legislative committee, presented a strong report, it being one of the chief features of the meeting. It is as follows:

The department of your association with which the legislative committee is directly concerned, has had a year of great activity, despite the fact that there was, during the fiscal year, no regular session of the general assembly. Your committee's work has been divided into two major sections, as follows:

1. Insurance matters in the special sessions of the 90th General Assembly.
2. Preparations for the 91st General Assembly.

Watched Course Followed During the Special Session

As you well known, the present general assembly has been in session much of the time during the year, having been called back by Governor White, to deal with problems of financing schools and the political subdivisions, and with the task of setting up a system of liquor control. Your legislature committee was therefore interested, on behalf of the association, in these special sessions, from the standpoint of seeing that no unfair legislation was passed, and of seeing that such legislation as might affect the insurance business was properly set up.

The bond provisions of the liquor law were, of course, a point of interest, and your committee believes that these were worked out to a degree which is at least fairly satisfactory to all concerned.

Very Vicious Piece of Legislation Defeated

Through the activities of your committee one very vicious piece of legislation was prevented, in the form of a bill prepared by a member of the house, and designed, as this member said, to bring more revenue into the state treasury. The bill repealed certain sections of the insurance law defining unauthorized insurance and providing for collection of taxes on the premium thereof by the insurance superintendent. It then provided that the tax commission should collect this tax, and your committee and is counsel felt that such a measure would in fact, give the blessing of law to such unauthorized companies as the Lloyds and others in this category. Your committee was able to prevent the introduction of this bill, although it may crop up in some other form in the near future.

Your committee was also instrumental during the second session, in defeating attempts to set up a public school insurance fund, both for buildings and for busses, and we feel that this service was of major benefit not only to the agents but also to the companies, and more especially to the people of Ohio.

Your committee kept a constant vigil, scrutinizing all bills, with a view to their effect on the insurance business, in order that the public might be protected.

Under the second division of our work, your committee interviewed all candidates for governor on both tickets, and has partly completed the interviewing of candidates for the Legislature. This work will be done before the election in November, and your committee will have a complete picture of the attitude of the men and women who seek to be members of the Ohio law making body.

Your committee makes the following recommendations:

1. That the association devote its efforts to the securing of an appropriation

adequate to the efficient operation of the Insurance Department. At the present time, although the Department collects millions in fees and taxes, its appropriation is so woefully small that the operation of the insurance division of government is seriously handicapped. We feel that the public interest dictates that the next bi-annual appropriation for this department be adequate to the problems thereto.

2. We recommend that the association seek legislation which will prevent state chartered financial institutions such as banks and building and loan associations, etc., from purchasing bonds and other forms of insurance from companies not authorized to do business in Ohio. This, it seems to your committee, is a very important piece of legislation.

3. We recommend that the association seek the passage of an agents' qualification law, which will further protect the public from the operation of persons unfit to properly handle the placing of insurance and other forms of indemnity. It seems to your committee that, unless there is some definite step taken to stop the wildcatter, and the unethical operator, who is now doing great damage in selling inadequate and hastily prepared protection, the public will be the sufferer from such activities. It is the thought of your committee, after consultation with companies and others interested, that a new qualification law which would have the support of the companies and of the other interests whose rights would be affected, should be sponsored in an effort to correct the evils which are so rampant at this time.

Revised Body Is Seen at Meeting

(CONTINUED FROM PAGE 3)

year its affairs have been wound up by President Meek who served as acting secretary of the old body. The new Ohio Association of Insurance Agents is incorporated and on Dec. 16 of last year John A. Lloyd, Ohio state senator at Portsmouth, was engaged as secretary. This proved to be a happy choice, as Mr. Lloyd has given an especially good account of himself in office. He is familiar with the ways of the legislature, he is diplomatic and tactful, and through his work an impressive membership list has been built up.

Second Day's Program Offered Fine Attractions

Mr. Meek presented a well-balanced program to the convention. At the first session, Vice-president F. P. O'Connor opened the meeting by introducing the president, whereupon Mr. Meek proceeded to name the committees to serve during the convention. His report and that of Secretary Lloyd were offered, an amendment to the constitution having to do with the election of trustees was passed, the nominating committee submitted its report, B. W. Gearheart, attorney for the association, spoke on "Assault on the Ohio Agency Laws," and the first session came to an end. That evening the annual banquet was held.

The second day was started with a breakfast conference for secretaries of local boards in charge of Norman W. Reed, Toledo. At the regular morning session Austin McElroy, Columbus, offered his report as chairman of the

legislative committee. W. D. Wall, a certified public accountant of Columbus spoke on "Agency Accounting." Walter H. Bennett, secretary of the National Association of Insurance Agents, gave an address, and just as the morning session was concluded, C. C. Corry, Springfield, announced that the Ohio association has complied with all of the regulations of the Springfield association and that as a consequence the Springfield association will probably join the Ohio body 100 percent. At the final session there were talks by J. C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins," who spoke on "Building Business by Knowledge" and C. T. Warner, Ohio insurance superintendent.

Convention Notes

All business sessions were held in the "Hall of Mirrors" room at the Deshler-Wallick Hotel.

There was a dinner-meeting of the board of trustees on Monday.

Secretary John A. Lloyd maintained headquarters in the hotel for the convenience of members.

For money saving purposes, the official program was mimeographed instead of printed.

Tells of Work



C. T. WARNER
Ohio Insurance Superintendent

STRATEGIC LOCATION

OHIO Agents of Pearl-American companies can render faster service to their clients because of their proximity to the Agency Department and General Offices in Cleveland. This is but one of the many advantages of an affiliation with these companies. We suggest that you write us for complete data which we will send upon request.



PEARL ASSURANCE CO., LTD., UNITED STATES BRANCH
EUREKA-SECURITY FIRE AND MARINE INSURANCE CO.
MONARCH FIRE INSURANCE COMPANY

AGENCY DEPARTMENT:

4300 Euclid Avenue, Cleveland, Ohio

Lloyd Tells of Many Activities

(CONTINUED FROM PAGE 3)

year. Fees are paid on an annual basis, from date to date, and, when another year's fee is due from a member, he is billed automatically and no new application signature is required. Three cards are kept for each membership, a date file card, alphabetical file card and county file card. Provision also is made for payment quarterly, semi-annually or annually, at the option of the member.

County Boards Organized in Numerous Cases

Emphasis has been placed on the organization of county associations and it is our hope that, by the end of the present fiscal year, every county in Ohio will be effectively organized. Such an organization will, it is felt, provide the strongest structure for the functioning of the state association. Counties organized during the fiscal year just closed include: Columbiana, Crawford, DeFiance (temporary organization), Gallia, Hardin, Henry, Jackson, Jefferson (temporary organization), Knox (temporary organization), Medina, Meigs, Scioto, Seneca, Shelby, Tuscarawas, Wayne and Williams. Other organized counties in the state include: Allen, Ashtabula, Butler (Hamilton and Midletown), Clark, Cuyahoga, Erie, Hamilton, Lake, Licking, Logan, Lorain, Lucas, Mahoning, Marion, Montgomery (inactive), Muskingum, Richland, Sandusky, Stark, Summit, Trumbull, Wood. Thus it will be seen that, of the 39 organized counties in Ohio, 17 of them were organized this year. The task of organizing the other 48 is a big one, but must and will be pushed to completion as rapidly as possible. Wherever county organization, tied in with state and National associations, flourishes, there the problems of agents are being met and direct benefit to agents is being seen.

Work Accomplished Along Public Lines

One of the primary functions of your association is that of representing the agents in the insurance department. Much of our work is there, and all of this branch of our work is not only of vital importance, but of direct dollars and cents value to the agents of the state. While it will not be possible to give a complete resume of all the work of the association in the department and the courts, we will, in this report, attempt to hit the high spots.

"Many agents do not realize that the Ohio resident agency law was subjected to an attack within recent months which, had it been successful, would have resulted in the complete breakdown of the agency system. It was only because the Ohio Association of Insurance Agents, took up the cudgels that the victory was won for the agent. One Elmer L. Jefferson, a resident of the state of Ohio, applied for a resident agent's license. Johnson & Higgins, foreign brokers, formed a partnership with Jefferson & Johnson & Higgins were to get 95 percent and Jefferson 5 percent of the profits garnered by Jefferson's business as a resident agent in Ohio.

"Upon the protest of the Ohio association, the superintendent of insurance refused Johnson a license, and a suit in the supreme court to compel issuance of the license was begun. The Ohio association employed B. W. Gearheart to fight the case on behalf of the agents and he, with Attorney-General Bricker, contended that the attempt to license Jefferson was but a subterfuge behind which Johnson & Higgins hoped to obtain, not a foreign broker's license, but a resident agent's license in Ohio. The supreme court so held, and the Ohio agency situation was saved from another attack on behalf of foreign brokers.

"Had Johnson & Higgins won, it would have been possible for foreign brokers to form similar partnerships in every county in Ohio and to come in direct competition with your real resident agents. Thousands of dollars in premiums were saved to the agents of Ohio by this action of your association. Without the Ohio association, you would be losing the cream of your business today to foreign brokers.

Direct Contact Made With HOLC Officials

"Since the inception of the Home Owners' Loan Corporation, the Ohio association and the National association have been in direct contact with the corporation, urging that the insurance on this property be kept for the agents. Early in the life of the HOLC, as a result of the contacts of the Ohio and National associations, the HOLC adopted a policy protecting the agent. Recently, as the insurance on this property comes up for renewal, in instances where the mortgagee cannot or does not pay the premium, the HOLC has been placing this insurance through eastern brokers. The HOLC announces this as a temporary plan only, after protests entered by your state and National associations, and the HOLC is attempting to work out with the agent's association, a plan to restore this business to the agent. Were it not for the work of the agents' organization, you would stand to lose this business. Much work is still to be done on this problem and the agent has no help except his own organizations. They are fighting his battles.

Cincinnati Fine Arts Issue Is Explained

"You have probably heard of this instance as the Cincinnati Fine Arts Institute case, for such is its title in the insurance department. While the matter resolved itself around the Fine Arts Institute the question at issue was this: By the mere fiction of calling a thing an 'Inland Marine risk' can a foreign broker write fire plus other protection at a rate less than the published fire rate? Johnson & Higgins said they could. The Ohio Association of Insurance Agents said it could not be done, for the Ohio association saw that, if this was done, foreign brokers soliciting by mail could skim the cream off the mercantile and industrial business in Ohio by fictitiously calling it 'inland marine' business. The Ohio association won,

and once again saved many thousands of dollars in business for the agents of Ohio.

"Every agent is familiar with the attempts of Sears & Roebuck to do a mail order fire and casualty business in Ohio through their All State Insurance Co. and All State Fire Insurance Co. Your association has this matter up in the department now, and a conference will be held Oct. 2. Our contention is that these companies are not complying with the Ohio law, and we are asking the department to revoke the licenses. Surely mail order insurance is not contemplated in the Ohio agency laws.

Fictitious Fleets Should Be Stopped

The casualty laws are being carefully studied and undoubtedly something will have to be done to stabilize this business, and to stop such practices as fictitious fleet writing, etc. Your association is watching very carefully the work of the Benoy committee of the Ohio State Bar Association to see that this work, if completed, does no damage to the insurance laws. On behalf of agents, we are in the department daily, with license matters, policy matters, interpretive matters, and, naturally, as the association grows, this branch of the work increases.

Your association's legislative committee, of which trustee Austin McElroy is chairman, has had a busy year, despite the fact that the general assembly was not in regular session. During the special tax session the committee succeeded in killing off an underground attempt of unauthorized companies to get into Ohio. The coming winter will undoubtedly find this committee busier than ever before. As part of the convention program, it will make a special report covering its recommendations.

Ohio Agency Bulletin Is Now Being Issued

One of the first things which your secretary undertook was the establishment of a monthly bulletin called "The Ohio Agency Bulletin," through the medium of which we attempt to keep the membership informed on matters pertinent to the agency business. Because of the necessity of keeping down the expense, we are mimeographing the bulletin. We are, however, making an attempt to sell advertising, and have already sold some, and if it be possible to sell enough to stabilize the bulletin and reduce its cost, this will be done. The bulletin is published in a minimum of expense, and its cost, of course, will be kept down at the lowest possible point.

On July 29 we held a conference of the secretaries of county and city associations at Magnetic Springs. This conference, which was the first of its kind ever held by the Ohio association, was highly successful. It lasted all day, and was devoted entirely to methods and problems of local associations and of the insurance agency. It is the plan to hold a similar conference in Columbus in January, at which time the secretaries will be called in to familiarize themselves with the work of the legislative committee and with other matters. These conferences will be held at practically no expense to the association, and we believe them to be well worth while. It is our plan to hold two of them each

Committees That Served the Ohio Convention

These are the committees that were appointed by President Hugh L. Meek to function during the convention;

Resolutions—R. L. Stuart, Steubenville, chairman; C. A. Benner, Cleveland; W. H. Rose, Jackson; H. O. Ostendorf, Hamilton and H. C. Boynton, Toledo.

Rules—Paul Kridler, Fremont, chairman; H. C. Caughey, West Unity; T. M. Lynn, Zanesville; and C. C. Rudibaugh, Youngstown.

Election—Glenn Webb, Lima, judge and chairman. Tellers—D. E. Herren, Cleveland; Judd Reese, Newark; Miss Mary Bogart, Tiffin, and H. E. Marsden, Lisbon.

Credentials—A. C. Lehman, Sandusky, chairman; A. C. Bachman, Marion; J. S. Reibert, E. Liverpool; Louis Allen, Wadsworth, and Theodore Safford, Cincinnati.

year, one in the summer, and one in the winter, with a special secretaries' breakfast at the annual convention. The local secretary is the key person in the set-up of the Ohio association insofar as the state association and the county associations are related. The efficiency of the local secretary's office today is of prime importance to your state association.

Secretary's Office Has Been Reorganized

The work of your association's office in Columbus has been completely systematized and reorganized. The old association had, to say the least, a very sketchy system of records. The association has employed Walter D. Wall, a certified public accountant of Columbus, who, after careful study of the record needs of the organization has, in cooperation with the secretary, installed an entirely new system, and Mr. Wall makes a monthly audit of the books of the association and reports to the trustees. As the association has grown throughout the year, the work of the office has become increasingly heavy. This is but natural and is a most healthy sign. The correspondence is voluminous, and it requires much of our time to keep abreast of it. We feel, however, that to be efficient, every letter, whether from members or others, should be acknowledged, and if possible, answered upon the day of its receipt, and to give speedy service in the office is the aim of your employees.

Personal Mention

Mrs. Hugh L. Meek was chairman of the ladies committee. She provided sightseeing and shopping tours, luncheons and bridge.

The registration fee was \$3, which included banquet ticket.

E. W. Hotchkiss, recently appointed western manager of the Royal-Liverpool group, was present. He is on an extended western trip.

Dr. E. Stacey Matheny, chaplain of the Ohio senate, delivered the invocation.

Wm. J. Gompers, Pres.

Jos. H. Reass, Exec. Vice-Pres.

Jos. L. Reass, Secy.-Treas.

HOMESEEKERS FIRE INSURANCE COMPANY

WHEELING, WEST VIRGINIA

C. F. Souder, S/A. 231 Michigan Street, Toledo, Ohio

Inquiries Invited From Desirable Agencies

FIRE

WINDSTORM

AUTOMOBILE



Calls Uniformity Commanding Issue

(CONTINUED FROM PAGE 4)

any means or instrumentality of interstate commerce, for the purpose of soliciting, negotiating or effecting contracts of insurance, or for the purpose of collecting premiums on insurance contracts, or to report any such transaction, unless such individual, partnership, association or corporation shall comply with the insurance laws of the respective states where such contracts are solicited, negotiated or effected, and the laws of the respective states where the property insured or the subject matter of the insurance is located.

"Section 2. The term 'insurance' as used herein is defined to include contracts of indemnity, fidelity or surety.

"Section 3. Any individual, partnership, association or corporation violating this act shall upon conviction be fined not more than \$10,000, or imprisoned not more than two years, or by both such fine and imprisonment."

Considers It Solution of Non-admitted Carrier Problem

"This measure embodies my concept of how the troublesome question of non-admitted companies might be controlled in this country. In common with many other men in the insurance business, I have long held to the opinion that it is unfair for insurance carriers to be permitted to sell contracts of insurance in states where they are not authorized under the law to do so.

"It appears that federal legislation is the only method through which this injustice could be overcome. The insurance supervisors of the states do everything that lies within their powers to regulate the business and to see that it is operated on a proper, legal basis. Obviously, however, they have no authority over the United States mails, and it is only through act of Congress that the situation could be controlled.

"The suggestion I threw out in regard to general federal legislation brings up a much more complex situation, and one to which careful thought and study must be given.

Says NRA Inevitably Has Effect on Insurance

"In the application of the National Industrial Recovery Act to the several classes of business, there is an incidental insurance angle in every case, because insurance follows industry just as surely as night follows the day. It must be obvious, then that the recovery act which so vitally affects industry must have a bearing on insurance transactions. In my judgment, since insurance is national in its scope, the old question of whether or not it actually is interstate commerce becomes academic. No one denies that it affects interstate commerce just as surely as it is affected with a public interest. Nor can it be claimed that it is bound by state lines when one policy of insurance can be written in New York and cover property in Ohio or California or across the seas.

Insurance Doubtful About Effect of Federal Regulation

"The insurance business is exceedingly timid over the thought of any federal legislation. I pointed out at Grand Rapids that as far back as 1865 the National Board of Fire Underwriters was organized on the platform of securing federal regulation. Thirty years ago Theodore Roosevelt advocated it in a message to congress, but the thought now persists that any measure of federal regulation must perforce mean federal interference, and to date the business has chosen the shelter of the Paul vs. Virginia decision, and has steered away from what may be envisioned as a protective element in the form of governmental regulation.

"In consequence, the business is conducted without semblance of uniform-

ity. Some states have reasonably adequate insurance laws; others are without needed regulation. Where the insurance commissioner of a regulated state is in position to supervise the business and to refuse to permit improper practices, he is without power to interpose any safeguards for his own people through insistence on maintenance of the rate structure elsewhere.

Calls State Lines Insurmountable Barrier

"The state line forms an impetrable barrier which he may not hurdle. When an intrepid supervisor undertakes to direct the conduct of a company or a producer in any state other than his own, immediately rises the cry of 'extra territoriality,' and his hands are tied.

"Your own superintendent has expressed his conviction that under the Ohio statutes, an inland marine policy can be written only to cover mobile goods; that the fact that such property may on occasion be moved from one place to another does not subject it to inland marine coverage while housed in one building. In many other states, the laws do not admit of such interpretation.

"At the Grand Rapids meeting, frequent statements were made that the Interstate Underwriters Board which must maintain the prescribed rates in certain states, pulls down the rates in unregulated states to reach an average desired for competitive purposes.

Says Present Methods Alone Cannot Bring Uniformity

"Since such wide disparity is known to exist, and to be growing with alarming momentum, it does appear that national uniformity, admittedly greatly to be desired, can not be achieved through present methods alone.

"Personally, I am of the faith and order that subscribes to the doctrine of state rights. It is a fundamental plank in our system of government. But I do not find that this theory in any way conflicts with the idea of federal regulation of that part of the business that is essentially interstate in many fields. The rights of the states and those of federal government are clearly defined. The state and the national serve as balance wheels, the one to the other. I see no more ground for fear that a degree of federal regulation would upset the even tenor of the ways of the state insurance departments than for claim to be made that the man in the White House in Washington acts as a detriment to the governor in the state capitol.

Suggests Legislation Which Would Strengthen Departments

"As I understand it, the chief purpose of the federal government is to uphold the states and protect the people from discrimination and unfairness. My suggestion would be for such legislation as would uphold the state insurance departments and provide them with the means of carrying out their function of protecting the people of the respective states.

"It is needless for me to reiterate my faith in the insurance commissioners of this country. They form a body of high-class, intelligent men, and through their organization, the National Convention of Insurance Commissioners, have gone far toward stabilizing the business, even though that body is only advisory and has no legislative power.

"In my opinion, the convention would have gone much further if it were not hampered by the state line barriers. Time without number have we heard members of the convention point out that they are estopped from putting into practice remedial reforms because they are without authority to

issue or enforce any rulings beyond the borders of their own states.

"Uniformity in the insurance business is a crying need. Subject to the vagaries of the many-times conflicting laws of the forty-eight states, uniformity is impossible of achievement. National uniformity is greatly to be desired. State regulation cannot bring it about. Let us hold fast to that which is good, but face unafraid new days and new ways which may be better."

Superintendent of Ohio Shows Department's Work

(CONTINUED FROM PAGE 4)

accidents and fatalities growing out of the use of the automobile decreased approximately 30 percent. In Ohio, any one, whether color blind, with defective vision, poor judgment or physical impairment, of almost any age, may drive a car. Seventy-six lives lost in Franklin county alone since Jan. 1—thousands of lives are lost annually in Ohio in automobile accidents—not all because of incompetent drivers but if we can reduce accidents by 30 percent as has been done in other states, then an appreciable number of lives might be saved annually by the enactment of such a law. Your organization is in a position to effectively sponsor such legislation."

Provisions Made for Future Nominations of State Officers

The members amended article 8 of the code of regulations relating to nominations for officers. It is now provided that 30 days prior to the annual meeting the trustees shall appoint a nominating committee of five to select candidates for president and vice-president. Any 10 members may present a like list to be voted on at the election. So far as trustees are concerned, each year there

Views Uniformity



W. H. BENNETT, New York
National Association Secretary

shall be held in each district a meeting where the term of the trustee expires and the members then shall select a nominee. These nominees shall be certified by the annual meeting of the association. Any 10 members of the district may nominate another candidate for trustee for their district. District conferences shall be called by the president and secretary of the state association.

Open house was held by the Home of New York in the convention hotel. R. F. Van Vranken, vice-president, was in charge. State Agent H. H. Chittenden, Ohio state agent, was also present.

THE OHIO CASUALTY INSURANCE CO.

HOME OFFICE - HAMILTON, OHIO

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AN OHIO COMPANY
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**Full Coverage Automobile
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OHIO AGENTS CONVENTION NUMBER

A Selling Plan That Means Increased Business for You

DID you ever believe, after an interview, that your sales talk wasn't quite as well organized as it might be? And that you might have been able to clinch the sale if you had approached the prospect in a slightly different manner?

The fact is that every sale needs a plan . . . something to guide you through the interview . . . keep you from becoming side-tracked . . . and enable you to come to the closing effort at the psychological moment.

The Buckeye Union Visualized Sales Plan for auto insurance is the result of an exhaustive study of the reasons why interviews are unsuccessful. The sales plan enables you to strike your prospect at his most vulnerable point . . . and to bring the interview to a successful conclusion.

Buckeye Union Offers Ohio Agents Effective Selling Assistance

The Buckeye Union Writes

Automobile
Burglary
Plate Glass
Personal Auto
Accident
General Liability

Territory in Ohio

The Buckeye Union offers its representatives selling assistance that gets results. The Visualized Sales Plan is but one of the many examples of The Buckeye Union's better service. In reality, The Buckeye Union is a strong, working partner to its representatives. This feature, backed by a reputation for fair treatment of policyholders and agents, makes The Buckeye Union essential to your agency. For a complete explanation of The Buckeye Union's specialized service, write or wire the Home Office today. There is no obligation.

Conservative Growth

	Dec. 31, 1933	June 30, 1934
Assets	\$884,792.77	\$969,477.79
Surplus to Policyholders	267,092.01	279,072.39

The Buckeye Union Casualty Co.

Home Office: Columbus, Ohio

Frederick E. Jones, Pres.

Ira L. Morris, Sec'y & Gen. Mgr.

Frank A. Burgess, Treas.

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